SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, [redacted]

No. [redacted]

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME A.

PLEADINGS, ORDERS, ETC.

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No. 481.

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a In the District Court of the United States for the District of New Jersey.

UNITED STATES OF AMERICA

vs.

UNITED STATES STEEL CORPORATION AND OTHERS.

PLEADINGS.

b In the Circuit Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others.

Petition.

John B. Vreeland, district attorney of the United States for the district of New Jersey.

George W. Wickersham, Attorney General of the United States.

J. M. Dickinson, special assistant to the Attorney General of the United States.

1 In the Circuit Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others.

To the judges of the Circuit Court of the United States for the District of New Jersey:

The United States of America, by John B. Vreeland, attorney for the district of New Jersey, acting under the direction of the Attorney General of the United States, brings this proceeding in equity against United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land

Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees, J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer.

The following of said defendants are corporations organized under the laws of the State of New Jersey and are residents of the State of New Jersey, to wit:

United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel & Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines.

On information and belief your petitioner alleges and shows:

I.

Conditions Before the Consolidations of 1898-1901.

Previous to and until the year 1898 the bulk of the iron and steel business of the United States, among the several States and between the several States and foreign countries was carried on by many different persons, partnerships, or corporations which were in active and general competition with each other, except at various times and in various localities, where such trade was restrained by them by unlawful pools and combinations.

In 1898 there began a rapid and radical revolution in the steel and iron business, characterized by great consolidations, resulting in bringing, by the year 1900, a very large proportion of important branches of those industries, such as crude and semifinished steel rails, structural steel, plates, merchant bars, wire rods and wire products, sheets, tin plate, and tubes, under the control of consolidated concerns, each comprising many who formerly had been competitors. Such consolidations affecting the defendants to this petition were as follows:

3

II.

Consolidations 1898–1900.

Federal Steel Company.

In September, 1898, the Federal Steel Company was incorporated under the laws of the State of New Jersey. It was a security-holding company. It issued a capital stock of approximately $100,000,000, which exceeded by many millions, not less than twenty, the value of the properties obtained. It acquired the entire capital stock of the Illinois Steel Company; the Lorain Steel Company, of Ohio; the Johnson Company, of Pennsylvania; the Minnesota Iron Company, one of the largest ore concerns in the Lake Superior regions (which owned an important ore railroad and a fleet of ore vessels), and the Elgin, Joliet & Eastern Railway Company. By this step there was brought under one control approximately fifteen per cent of the steel ingot production of the country. The Minnesota Iron Company owned or leased about 40,000 acres of mineral lands in Minnesota and controlled the Duluth & Iron Range Railroad, the Minnesota Steamship Company, and the Minnesota Dock Company. The said railroad extended from Duluth into the iron-ore district owned by the Minnesota Iron Company in Minnesota. The Minnesota Steamship Company owned a fleet of nine steel steamships and seven steel barges, operating on the Great Lakes.

The Illinois Steel Company owned large works at North and South Chicago, also at Chicago, at Joliet, Ill., and at Milwaukee, Wis. It also owned all the stocks and bonds of the Chicago, Lake Shore & Eastern Railway Company, the Chicago & Kenosha Railway Company, Chicago & South Eastern Railway Company, the Joliet and Blue Island Railway Company, and the Milwaukee, Bay View & Chicago Railroad Company. It also owned the entire capital stock of the Southwest Connellsville Coke Company and the Cundy Iron Company, of Michigan, and owned or leased about 7,000 acres of ore and mineral lands in Michigan.

The Elgin, Joliet & Eastern Railway extended from Waukegan, Ill., around Chicago to Porter, Ind., and connected with every railroad entering Chicago. It had branches to Aurora and Whiting, Ind., and South Chicago, Ill., where it owned extensive wharfs and other terminal property.

4 The property of the Lorain Steel Company, of Ohio, consisted of a large steel plant at Lorain, Ohio, with 525 acres of land on the Black River.

The Johnson Company, of Pennsylvania, owned a manufacturing plant and 150 acres of land at Johnstown, Pa.

The Illinois Company and Lorain Company, above referred to, were, previous to said combination, competitors.

In addition the Federal Steel Company owned the entire capital stock of the Lake Terminal Railroad Company and the Johnstown

& Stony Creek Railroad Company, which owned respectively the terminal roads connecting the steel works at Lorain, Ohio, and Johnstown, Pa. It owned also the entire capital stock of the Ingleside Coal Company.

The underwriting syndicate of the Federal Steel Company received approximately $5,680,000 preferred stock and $8,400,000 of common stock for approximately $1,800,000 in cash, and their services in organizing the concern.

The purpose and the effect of such consolidation were a combination between said consolidated companies and the Federal Steel Company, their officers, agents, promoters, and underwriters in restraint of trade and commerce among the several States and with foreign nations, within the meaning of section 1, and were an attempt by the said parties to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act.

The control of all of the said companies with their properties was acquired by the United States Steel Corporation by the consolidation as hereinafter described.

CARNEGIE COMPANY (OF NEW JERSEY).

The Carnegie Company (of New Jersey) was incorporated by the State of New Jersey in March, 1900, with a capitalization of $320,000,000, half in stock and half in bonds.

It took over the Carnegie Steel Company (Ltd.) and an affiliated company, the H. C. Frick Coke Company, with all of their subsidiary companies. At the time of its formation it controlled fully eighteen per cent of the steel-ingot production of the country.

The Carnegie Steel interests had previously absorbed the Duquesne Steel Works, a competitor. The purpose and effect of such consolidation and absorption were a combination in restraint of trade and commerce among the several States and with foreign nations, and an attempt to monopolize and a monopolization of a part of the trade and commerce among the several States and with foreign nations within the meaning of the antitrust act.

At the time of its acquirement by the principal defendant, the United States Steel Corporation, as hereinafter shown, it owned or controlled the following companies and their properties:

Carnegie Steel Company of Pennsylvania, owning Edgar Thomson Works, Bessemer, Pa.; Duquesne Works, Duquesne, Pa.; Homestead Works, Munhall, Pa.; Upper and Lower Union Mills, Pittsburg, Pa.; Carrie Blast Furnaces, Rankin, Pa.; Lucy Blast Furnaces, Pittsburg, Pa.; and Howard Axle Works, Howard, Pa.

Forty-three and six-tenths per cent of Pennsylvania & Lake Erie Dock Co.

Twenty-five per cent of New York, Pennsylvania & Ohio Dock Company.

Carnegie Land Company and Conneaut Land Company.

Eighty-three and one-third per cent of Oliver Iron Mining Company, owning or leasing a large number of active and inactive iron-ore properties on the Michigan and Mesabi Ranges, which were acquired from various independent mining companies.

Fifty per cent of Pewabic Company.

Fifty-two per cent of Pittsburg, Bessemer & Lake Erie Railroad Company.

Union Railroad Company.

Eighty-three and one-third per cent of Pittsburg Steamship Company.

Seventy-five per cent of Pittsburg Limestone Company, L't'd.

Pittsburg & Conneaut Dock Company; Carnegie Natural Gas Company; Youghiogheny Northern Railway Company; Mount Pleasant Water Company; Trotter Water Company; Mingo Coal Company; Union Supply Company; and H. C. Frick Coke Company, the latter holding, by direct ownership or through subsidiary companies, about 10,000 acres of coking coal land, 11,000 coke ovens, and 3,500 dwellings, and other property.

The purpose and effect of such consolidation were a combi-
6 nation in restraint of trade and commerce among the several States and with foreign nations, within the meaning of section 1, and an attempt to monopolize and a monopolization of part of the trade or commerce among the several States or with foreign nations, within the meaning of section 2 of the antitrust act.

The control of all of said companies with their properties was acquired by the United States Steel Corporation, as hereinafter described.

AMERICAN STEEL AND WIRE COMPANY OF NEW JERSEY.

The American Steel and Wire Company of New Jersey was incorporated under the laws of the State of New Jersey in January, 1899, with $90,000,000 capital stock. It combined under one management and control all of the leading concerns engaged in the production in the United States of wire, wire nails, and other wire products.

Said concerns, before and up to the said time of consolidation, except when self-restrained by unlawful pools and agreements, had competed with each other in interstate and foreign trade and commerce.

One of its constituent companies was the American Steel and Wire Company of Illinois, organized in 1898, which was itself a consolidation of six competitor companies. This company, in taking over one of its constituent companies, the Consolidated Steel and Wire Company, itself a consolidation of seven plants, gave for each $100 of stock of that company $175 of preferred and $175 of common stock of its company, viz, $350 for $100. In the consolidation under the name of American Steel and Wire Company of New

Jersey each $100 of preferred stock of the American Steel and Wire Company of Illinois received $100 of preferred and $60 in common stock, and each $100 of the common stock received $120 in common stock of the new concern.

Thus each $100 of stock of the old consolidated company became $490 in the stock of the New Jersey concern. This stock so increased far exceeded the value of the property it represented and the effect of such increase was to stimulate efforts to earn a return upon a fictitious valuation, through the power created by such consolidation and through unlawful expedients, by agreements, combinations, and otherwise, and thus to enerate consumers and the public gen-
7 erally with an unjust burden, which was done by and through the means aforesaid. This condition of inflated securities, with the results as above set out, was still further aggravated by the fact that the promoters and underwriters of the organization of the said American Steel and Wire Company received for their services, etc., of the common stock, $11,600,000. The defendant, the American Steel & Wire Company of New Jersey, by the said consolidation, came into the ownership or control of the companies and properties as follows:

American Steel & Wire Company of Illinois, controlling Consolidated Steel & Wire Company, composed of seven united plants; Salem Wire Nail Company, of Salem and Findlay, Ohio; H. P. Nail Company, of Cleveland, Ohio; American Wire Company, of Cleveland, Ohio; American Wire Nail Company, of Anderson, Ind.; Ellwood Wire & Nail Company, and I. L. Ellwood Manufacturing Company, of DeKalb, Ill.

Washburn & Moen Manufacturing Company, with four plants at Worcester, Mass., Waukegan, Ill., and San Francisco, Cal.; Worcester Wire Company, of Worcester, Mass.; Cleveland Rolling Mill Company, of Cleveland and Newburg, Ohio; Oliver Wire Company, of Pittsburg, Pa.; Oliver & Snyder Steel Company, of Pittsburg, Pa.; Pittsburg Wire Company, of Braddock, Pa.; Indiana Wire Fence Company, of Crawfordsville, Ind.; Garden City Wire and Spring Company, of Chicago, Ill.; Consolidated Barb Wire Company, of Joliet, Ill., and Lawrence, Kans.; Laidlaw Bale Tie Company, of Joliet, Ill.; Cincinnati Barb Wire Fence Company, of Cincinnati, Ohio; Union Rolling Mill Company, of Cleveland, Ohio; Portage Iron Company, of Duncanville, Pa.; Newburgh Wire & Nail Company, Newburgh, N. Y.; Allegheny Furnace Company, Allegheny, Pa.; Shenango Valley Steel Company, Newcastle, Pa.; Shoenberger Steel Company, Pittsburg, Pa.; Puget Sound Wire Nail & Steel Company, Everett, Wash.; fifty per cent of the Juniata Coke Company, Dawson, Pa.; nineteen per cent of the Pennsylvania & Lake Erie Dock Company; and eighty per cent of the Edgar Zinc Company, with plants at St. Louis, Mo., at Cherryvale, Kans.

After its organization it organized and owned American Mining Company, American Coke Company, American Steamship Company, and acquired fifty per cent of the Huron Water Company.

It thus obtained an almost complete monopoly of barbed wire and of woven-wire production, and controlled approximately
8 four-fifths of the wire fencing and nails produced in the United States. The prices were greatly increased. The price of nails in 1900 was more than two hundred per cent of the price in 1897.

The purpose and effect of such consolidation were a combination between said consolidated companies and the American Steel & Wire Company of New Jersey, their officers, agents, promoters, and underwriters, in restraint of trade and commerce among the several States and with foreign nations within the meaning of section 1, and was by said parties an attempt to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act.

The United States Steel Corporation acquired, as hereinafter set out, the control or ownership of all the aforesaid companies and properties.

NATIONAL TUBE COMPANY.

The United States Tube Company was incorporated under the laws of the State of New Jersey in February, 1899. In June of that year its name was changed to National Tube Company. The capital stock was $10,000,000, 7% cumulative preferred, and $40,000,000 common. It combined under one management concerns which, at that time, controlled the bulk of the production of iron and steel wrought tubing of the United States—approximately ninety per cent.

Said concerns, before and up to the said consolidation, except when self-restrained by unlawful pools and agreements, had competed with each other in interstate and foreign trade and commerce in said products.

The defendant, the National Tube Company, by the said consolidation came into the ownership or control of the companies and properties as follows:

Allison Manufacturing Company's tube mill, American Tube & Iron Company, Chester Pipe & Tube Co., Cohoes Tube Works, Delaware Iron Company, National Galvanizing Works, Ohio Tube Company, Oil Well Supply Company's Continental Tube Works and Elba Iron Works, Pennsylvania Tube Company, Riverside Iron Works, Oil City Tube Company, and Syracuse Tube Company.

It also acquired the entire capital stock of the National Tube
9 Works Company, and a large interest in the Western Tube Company, the Pittsburg Tube Company, and seven per cent of the Pennsylvania & Lake Erie Dock Company.

The purpose and effect of such consolidation were a combination between said consolidating companies and the National Tube Company, their officers, agents, promoters, and underwriters, in restraint of trade and commerce among the several States and with foreign

nations, within the meaning of section 1, and were, by the said parties, an attempt to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act.

The United States Steel Corporation acquired, as hereinafter set out, the control or ownership of all the aforesaid companies and properties.

NATIONAL STEEL COMPANY.

The National Steel Company was incorporated under the laws of the State of New Jersey in February, 1899, and issued a capital stock of $59,000,000. It acquired the principal crude-steel manufacturing companies west of the Alleghenies, chiefly in Ohio, other than those owned by the Federal Steel Company and by the Carnegie Steel Company (Ltd.). They had a yearly capacity of about 1,800,000 tons of steel.

Said concerns before and up to the said consolidation, except when self-restrained by unlawful pools or agreements, had competed with each other in interstate and foreign trade and commerce in said product.

At least $5,000,000 of the common stock went for promotion.

By this combination it controlled approximately 12 per cent of the steel-ingot output of the United States.

The National Steel Company by the said consolidation came into the ownership or control of Ohio Steel Co., Youngstown, Ohio; Shenango Valley Steel Co., New Castle, Pa.; Sharon Iron Co. (Ltd.), and Buhl Steel Co., Sharon, Pa.; King, Gilbert & Warner Co., Columbus, Ohio; Bellaire Steel Co., Bellaire, Ohio; and Mingo works of Ætna Standard Iron & Steel Co., Mingo Junction, Ohio.

The purpose and effect of said consolidation were a combination between said consolidating companies and the National Steel Company, their officers, agents, promoters, and underwriters, in
10 restraint of trade and commerce among the several States and with foreign nations, within the meaning of section 1, and were by the said parties an attempt to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act.

Subsequent to its formation the National Steel Company acquired control of other companies and concerns, so that in addition to those mentioned above, it also owned or controlled at the time of its absorption by the United States Steel Corporation: Rosena Furnace Co., Thomas Furnace Co., Ohio Iron Co., thirty-three and one-third per cent of National Mining Co., Chapin Mining Co., Winthrop Iron Co., Standard Connellsville Coke Co., Continental Coke Co., Mutual Transportation Co., and Menominee Transit Co.

It also acquired 800 acres of coking-coal lands in Westmoreland County, Pa., and a one-sixth interest in all the iron ore produced by the Oliver Iron Mining Co.

The United States Steel Corporation acquired, as hereinafter set out, the control or ownership of all the aforesaid companies and properties.

AMERICAN TIN PLATE COMPANY.

The American Tin Plate Company was incorporated under the laws of the State of New Jersey, in December, 1898, as a consolidation of thirty-nine plants, with two hundred and seventy-nine mills, engaged in the tin-plate industry in the United States. It issued $46,000,000 of capital stock. It acquired practically every tin plate concern in the United States and secured thereby an almost complete monopoly of that branch of industry.

The concerns thus combined before and up to the said consolidation, except when self-restrained by unlawful pools or agreements, had competed with each other in interstate and foreign trade and commerce in said product.

Ten million dollars of the common stock went to the organizers.

The following companies, or their plants, were acquired by this consolidation:

Ætna Standard Iron and Steel Company's Tin Plate Works, Bridgeport, Ohio.

11 American Tin Plate Company, Elwood and Montpelier, Ind.

Atlanta Steel and Tin Plate Company, Atlanta, Ind.

Baltimore Tin Plate Company, Baltimore, Md.

Beaver Tin Plate Company, Lisbon, Ohio.

Blairsville Rolling Mill and Tin Plate Mill, Blairsville, Pa.

Britton Rolling Mill Company, tin plate works, of Cleveland, Ohio.

Canonsburg Iron and Steel Company, Canonsburg, Pa.

Champion Iron & Steel Company, Muskegon, Mich.

Cincinnati Rolling Mill & Tin Plate Company, Cincinnati, Ohio.

Crescent Sheet & Tin Plate Company, Cleveland, Ohio.

Cumberland Steel & Tin Plate Company, Cumberland, Md.

Ellwood Tin Plate Company, Ellwood City, Pa.

Falcon Tin Plate & Sheet Company, Niles, Ohio.

Great Western Tin Plate Company, Joliet, Ill.

Hamilton & Co., West Newton, Pa.

Humbert Tin Plate Company, Connellsville, Pa.

Irondale Steel & Iron Company, Middleton, Ind.

Johnstown Tin Plate Company, Johnstown, Pa.

La Belle Iron Works, tin plate works of, Wheeling, W. Va.

Laughlin Nail Company, Martin's Ferry, Ohio.

Marshall Bros. & Co., Philadelphia, Pa.

Monongahela Tin Plate Company, Pittsburg, Pa.

Moorewood Company, Gas City, Ind.

Morton Tin Plate Company, Cambridge, Ohio.

National Tin Plate Company, Monessen, Pa., and Anderson, Ind.

Neshannock Sheet & Tin Plate Company, New Castle, Pa.

New Castle Sheet & Tin Plate Company, New Castle, Pa.

Ohio River Sheet & Tin Plate Company, Rochester, Pa.
Pennsylvania Tin Plate Company, New Kensington, Pa.
Pittsburg Tin Plate Works, New Kensington, Pa.
Reeves Iron Company, Canal Dover, Ohio.
Shenango Valley Steel Company, tin plate works of, New Castle, Pa.
Star Tin Plate Company, Pittsburg, Pa.
United States Iron & Tin Plate Manufacturing Company, McKeesport, Pa.
Wallace, Banfield & Co., Irondale, Ohio.
Washington Steel & Tin Plate Mills, Washington, Pa.

12 The purpose and effect of said consolidation were a combination between said consolidating companies and the American Tin Plate Co., their officers, agents, promoters, and underwriters, in restraint of trade and commerce among the several States and with foreign nations within the meaning of section 1, and were by the said parties an attempt to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the antitrust act.

The United States Steel Corporation acquired, as hereinafter set out, the control or ownership of all the aforesaid companies and properties.

AMERICAN STEEL HOOP COMPANY.

The American Steel Hoop Company was incorporated under the laws of the State of New Jersey in April, 1899, with a capital stock of $33,000,000, and brought into combination under one control the leading concerns engaged in the production of cotton ties, steel bands, hoops, and like products in the United States.

At least $5,000,000 of the common stock went for promotion.

The concerns thus combined before and up to the said consolidation, except when self-restrained by unlawful pools or agreements, competed with each other in inter-state and foreign trade and commerce in said products.

The said company acquired, at the time of its formation, the following:

Union Iron & Steel Co., Youngstown, Warren, and Girard, Ohio; Isabella Furnace Co., Pittsburg, Pa.; Monessen Steel Co., Monessen, Pa.; J. Painter & Sons, Pittsburg, Pa.; Wm. Clark & Sons, Pittsburg, Pa.; Lindsay & McCutcheon, Pittsburg, Pa.; P. L. Kimberly Co., Sharon and Greenville, Pa.; Pomeroy Iron & Steel Co., Pomeroy, Ohio; Portage Iron Co. (Ltd.), Duncansville, Pa.; one-fifth of Mahoning Ore & Steel Co., Mahoning, Pa., and one-third of National Mining Co.

The purpose and effect of said consolidation were a combination between said companies and the American Steel Hoop Company, their officers, agents, promoters, and underwriters in restraint of trade and commerce among the several States and with foreign nations within the meaning of section 1, and were by the said

13 parties an attempt to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the antitrust act.

Shortly thereafter the said company acquired control of the Ætna & Montrose Railroad Co., fifty per cent of the stock of the Union Ore Co., and eight and one-third per cent of the stock of the Pennsylvania & Lake Erie Dock Co.

The United States Steel Corporation acquired, as hereinafter set out, the control or ownership of all the aforesaid companies and properties.

AMERICAN SHEET STEEL COMPANY.

The American Sheet Steel Company was incorporated under the laws of the State of New Jersey, in March, 1900, and took over the principal manufacturers of sheet steel of all kinds. The capital stock authorized was $26,000,000, 7 per cent preferred, and $26,000,000 common. A large amount of the capital stock went for promotion.

The concerns thus combined, before and up to the said consolidation, except when self-restrained by unlawful pools or agreements, competed with each other in interstate and foreign trade and commerce in said products. The said company acquired at the time of its formation the following:

Apollo Iron & Steel Co., Appolo and Vandergrift, Pa.; Cambridge Iron & Steel Co., and roofing plant of Cambridge Manufacturing Co., Cambridge, Ohio; Canton Rolling Mill Co., Canton, Ohio; Chartiers Iron & Steel Co., Carnegie, Pa.; Corning Steel Co., Hammond, Ind.; Dennison Rolling Mill Co., Dennison, Ohio; Dresden Iron & Steel Sheet Company, Dresden, Ohio; Falcon Iron & Nail Co., Niles, Ohio; Hyde Park Iron & Steel Co., Hyde Park, Pa.; Kirkpatrick & Co. (Ltd.), Leechburg, Pa.; P. H. Laufman & Co., Paulton, Pa.; Midland Steel Co., Muncie, Ind.; Ætna Standard Iron & Steel Co., Sheet Steel Works, Bridgeport, Ohio; New Philadelphia Iron & Steel Co., New Philadelphia, Ohio; Old Meadow Rolling Mill Co., Scottdale, Pa.; Piqua Rolling Mill Co., and roofing plant of Cincinnati Corrugated Co., Piqua, Ohio; Pittsburg Steel Mfg. Co., Shousetown, Ohio; Scottdale Iron & Steel Co. (Ltd.), Scottdale, Pa.; Struthers Iron & Steel Co., Struthers, Ohio; Chester Rolling Mill Co., Chester, W. Va.; Coshocton Rolling
14 Mill Co., Coshocton, Ohio; W. Dewees Wood Co., McKeesport, Pa., and Wellsville, Ohio; Reeves Iron Co., Canal Dover, Ohio; West Penn Sheet Steel Works, Leechburg, Pa.; and Saltsburg Rolling Mill Co., Saltsburg, Pa.

The purpose and effect of said consolidation were a combination between said consolidating companies and the American Sheet Steel Company, their officers, agents, promoters, and underwriters in restraint of trade and commerce among the several States and with foreign nations, within the meaning of section 1, and were by the said parties an attempt to monopolize and a monopolization of part

of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the antitrust act.

The United States Steel Corporation acquired, as hereinafter set out, the control or ownership of all the aforesaid companies and properties.

III.

Conditions Leading to Formation of United States Steel Corporation.

While through the formation of the companies aforesaid competition was largely eliminated in their respective lines, there was in 1900, and up to the time when effective steps were taken to absorb all of these concerns by the United States Steel Corporation, active competition between the Carnegie Company, the Federal Steel Company, and the National Steel Company, the three principal producers of crude steel. These three companies were also in competition with some of the other said consolidated companies in the sale of the lighter finished products. The success achieved and the power gained by the consolidations aforesaid stimulated these companies and those controlling them severally, to larger enterprise and more ambitious plans, involving further elimination of competition and restraint of trade and commerce. A general consolidation was brought about through the defendant, the United States Steel Corporation, as hereinafter set out, thereby still further preventing competition which was imminent.

The Carnegie Company and the Federal Steel Company manufactured steel rails, some other heavy finished products, and semifinishel steel products. For the sale of their semifinished
15 products they were dependent on other manufacturers, among whom were some of the consolidated companies aforesaid.

The National Steel Company was in the same condition, except that as to marketing its products it could count the American Sheet Steel Company, the American Steel Hoop Company, and the American Tin Plate Company as customers, on account of their being closely affiliated through a common control.

The American Steel and Wire Company, which in its beginning enjoyed a practical monopoly in wire products, and subsequently had acquired iron and coal properties and a vessel fleet, was mainly dependent on other producers for the steel billets used in making its product. The National Tube Company, which at its formation controlled the greater part of the production of wrought pipe and tubes in the United States, purchased a very large part of its crude steel.

The American Sheet Steel Company, the American Tin Plate Company, and the American Steel Hoop Company were only partially protected as to obtaining their raw material from the National Steel Company through a common control.

There was a general movement upon the part of these concerns to control their raw material and all stages of the manufacture of their products.

For example, the American Steel and Wire Company, whose constituent concerns had largely patronized the Federal Steel Company and the Carnegie Company, planned in 1900 to make its own iron and steel.

The National Tube Company, a large customer of the Carnegie Company, proposed to erect additional blast furnaces and steel works.

The American Tin Plate Company, the American Sheet Steel Company, and the American Steel Hoop Company, large customers of the Carnegie Company and other makers of steel, were rapidly making themselves independent through the increase of the crude-steel capacity of the National Steel Company, which secured extensive ore and coal properties and a fleet of lake ore vessels.

Thus competition under old methods of doing business having been restricted, and in some products almost entirely destroyed, threatened to make a new way and reestablish itself in vigorous life. The leaders in the steel industry feared the breaking
16 down of the restraints upon trade and the overthrow of the partial or complete monopolies which they had established.

The Carnegie Company and the Federal Steel Company saw the danger of their former customers becoming their rivals. Both of these companies took steps looking to the manufacture of finished products, such as structural material, tubes, and universal plates.

About the close of the year 1900, the Carnegie interest announced that they would erect an immense tube plant at Conneaut, on Lake Erie. A period of greater competition had already been foreshadowed. This announcement brought affairs to a crisis. A "battle of the giants" was discussed in the daily press and in the trade journals.

If each of these actual and prospective competitors had worked out its own destiny in trade, commerce, and production, unobstructed by combinations or agreements entered into for the purpose of restraining competition and trade and commerce among the States, and between the States and foreign countries, new plants would have been established, and said trade and commerce would have developed under different conditions and free from restraints which, as will be shown, were imposed with the purpose and effect of unduly restraining such trade and commerce and monopolizing in part such trade and commerce.

An opportunity was offered, through further consolidation and restriction of trade and commerce, for enormous profits as a reward for effecting the combination and as a result of the floatation of inflated stocks.

On account of its announced purpose, which contributed largely toward precipitating the crisis, and also on account of its great

strength, it was manifest that in order to form an effective combination it was necessary to control the Carnegie Company.

Considering the magnitude of the entire undertaking, it was carried to a conclusion with unprecedented swiftness.

Within four months from the announcement by the Carnegie Company of its purpose to extend its activities into new fields, a new corporation was formed, which is the United States Steel Corporation, for the purpose of preventing further competition and eliminating the existing competition between said companies.

17 In pursuance thereof, by about April 1, 1901, the United States Steel Corporation united and brought under one control all of the companies heretofore particularly referred to and their properties, and also acquired the control of certain other companies in 1901, as hereinafter shown.

The details of said combination will now be given, the said United States Steel Corporation being hereinafter designated as the corporation.

IV.

Formation of United States Steel Corporation.

J. P. Morgan, aside from the prominent part taken by him as a member of the firm of J. P. Morgan & Company, who were syndicate managers in charge of the organization of the corporation, was a director in the Federal Steel Company. He became a member of the first board of directors of the corporation.

Charles Steele, who was a member of the firm of J. P. Morgan and Company, and acted in the negotiations for the consolidation, was a director in the American Bridge Company and the National Tube Company, and became a member of the first board of directors of the corporation.

George W. Perkins came into the firm of J. P. Morgan and Company after the negotiations for the first combination began. He became active in bringing about subsequent combinations, herein mentioned. He became a member of the board of directors of the corporation in 1901.

E. H. Gary was active in bringing about the combination. At the time of the merger he was president, director, and a member of the executive committee of the Federal Steel Company. He became a member of the first board of directors of the corporation, chairman of the executive committee, and a member of the finance committee, and has been the leading person in controlling its affairs throughout its existence.

Charles M. Schwab was active in the negotiations leading up to the formation of the corporation, was president and director of the Carnegie Company when absorbed, and became the first president and a member of the first board of directors of the corporation.

18 Andrew Carnegie was in control of the Carnegie Company of New Jersey, was fully advised as to the formation of the

corporation and its character, and combined in the plan for the purpose and to the extent of transferring to it the control of the Carnegie Company of New Jersey.

Henry C. Frick was prominent in the Carnegie Company, was active in the effort to sell the Carnegie properties and merge them in the corporation, and became a member of the first board of directors of the corporation.

James Gayley was a director in the Carnegie Company, participated in the formation of the corporation, and became vice president.

William H. Moore, J. H. Moore, and Daniel G. Reid were active organizers of the corporation and controlled the terms on which the American Tin Plate, American Steel Hoop, American Sheet Steel, and National Steel Companies were taken over by the corporation.

William H. Moore and Daniel G. Reid became members of the first board of directors of the corporation.

Edmund C. Converse was president and director of the National Tube Company, was active in bringing about the combination, and became a member of the first board of directors of the corporation.

Percival Roberts, jr., was president and director of the American Bridge Company, was active in bringing about the combination, and became a member of the first board of directors of the corporation.

Norman B. Ream was a director of the Federal Steel Company, took part in bringing about the combination, and became a member of the first board of directors of the corporation.

John D. Rockefeller and John D. Rockefeller, jr., were largely interested in the Lake Superior Consolidated Iron Mines, John D. Rockefeller, jr., being a director in that company. Both of them participated in bringing about the combination and became members of the first board of directors of the corporation.

P. A. B. Widener was a director in the American Steel and Wire Company of New Jersey, took part in bringing about the combination, and became a member of the first board of directors of the corporation.

19 William P. Palmer was president and director of the American Steel and Wire Company of New Jersey, took part in bringing about the combination, and continued as president of the said Steel and Wire Company after the transfer of that company to the corporation.

The corporation was organized under the laws of New Jersey, the original certificate having been filed at Trenton, February 25, 1901. An amended certificate was filed April 1, 1901.

The authorized capital stock was $550,000,000 seven per cent cumulative preferred, and $550,000,000 common.

The corporation, in 1901, shortly after its organization had been completed, and after it had acquired in 1901 the properties as hereinafter shown, had a capitalization as follows:

Preferred stock, 7%	$510,205,743
Common stock	508,227,391
Steel Corporation bonds	303,150,000
Underlying bonds	59,091,657
Purchase-money obligations and real estate mortgages	21,872,023
Total	1,402,846,817

The corporation is not an operating but only a holding company. In 1901 it acquired practically all of the issue of capital stock of the companies named below, the holders of such stock receiving in exchange for each $100 par value thereof, the amount set opposite thereto in preferred or common stock of the corporation at par.

20 *Names of companies and classes of stock acquired.*

	Amount of new stock received in par value.	
	Pref'd stock.	Common stock.
Federal Steel, preferred stock	$110.00	
Federal Steel, common stock	4.00	$107.50
National Tube, preferred stock	125.00	
National Tube, common stock	8.80	125.00
A. S. & W. Co., N. J., preferred stock	117.50	
A. S. & W. Co., N. J., common stock	125.00	102.50
National Steel, preferred stock		125.00
National Steel, common stock	125.00	
American Tin Plate, preferred stock	20.00	125.00
American Tin Plate, common stock		
The Carnegie Co., viz:	153.50	141.00
For $64,000,000 of stock		
For $36,000,000 of stock there were issued $144,000,000 of United States Steel collateral trust bonds.	100.00	
American Steel Hoop, preferred stock		100.00
American Steel Hoop, common stock	100.00	
American Sheet Steel, preferred stock		100.00
American Sheet Steel, common stock	110.00	
American Bridge, preferred stock		105.00
American Bridge, common stock	135.00	135.00
Lake Superior Consolidated Iron Mines	37.50	
Shelby Steel Tube, preferred stock		25.00
Shelby Steel Tube, common stock		

The corporation also acquired $159,450,000 of the Carnegie Company collateral trust bonds, for which an equal amount of United States Steel collateral bonds was issued.

The corporation also acquired the Bessemer Steamship Company; also a one-sixth interest in the stock of the Oliver Iron Mining Company and the Pittsburg Steamship Company, the remaining five-sixths interest in these two stocks being owned by the Carnegie Company.

The capitalization was many millions of dollars, not less than six hundred millions of dollars, in excess of the value of the properties thus taken over. It was vastly in excess of the amount upon which those properties under normal conditions could earn a fair return. The earnings of the corporation were not commensurate

with its actual capital, nor were they entirely the legitimate
21 fruits of the earning capacity of those properties separately controlled, however, well administered, but were to a very large extent, approximately one-half, the result brought about by the power exerted over trade and commerce by such a vast combination of capital, the restraint imposed upon trade and commerce, the suppression of competition, the influence upon the control of prices, and the many direct and indirect advantages derived from the cooperation of so many men of influence in trade and commerce, who formerly acting in rivalry were by the combination drawn together in a common interest. Consumers and the public at large were, through the power created and exerted by such a vast combination, compelled to pay an unlawful tribute of many millions of dollars annually to the corporation.

Much stock was issued on an inflated basis in exchange for stock acquired in absorbed companies, which stock itself had been issued upon a partly inflated basis, and of the balance many millions of dollars were a reward for mere promotion and underwriting.

In the direct exchange of securities the corporation issued $1,191,882,532 of stock and bonds in exchange for a total of $881,224,405 stocks of the constituent companies and Carnegie Company bonds.

The carrying through of the consolidation was entirely under the supervision of J. P. Morgan & Co., as syndicate managers. The syndicate turned over to the corporation $25,000,000 in cash, which constituted all that was added of intrinsic value to the properties combined, except for $3,000 cash paid in by the incorporators and sundry stocks of a par value of $174,000. For this consideration, and at its expenses, services, and risk, the syndicate received $64,998,768 (par value) of preferred and $64,998,837 (par value) of common stock of the corporation. This enormous takeout was possible because the syndicate managers and those most influential in effecting the combination were prominently identified with the management of several of the constituent companies and afterwards with the control of the corporation itself.

The underwriting syndicate included several who variously were officers or directors of the companies which were combined. The total amount of the new capitalization representing payments in
stock to syndicates as promoters for organizing the new corpo-
22 ration and the previous combinations which it took over, exceeded $150,000,000, after allowing for new capital contributed and reasonable expenses.

The new inflated capitalization of the corporation exceeded the old inflated capitalization of the constituent concerns, plus the new cash capital provided and sundry stocks as above mentioned, by $415,181,732, or by over 45 per cent.

The main prospect for maintaining earnings on the many millions given for promotion and issued in excess of valuation was the power in the business achieved by combination, the potency of vast aggregation of capital, the affiliations brought about with powerful

banking and transportation companies and the direct and indirect control of trade that thereby ensued. This was a fictitious basis resting on unlawful combination.

The value of stock thus issued largely depended upon earnings largely based upon subjecting the public to conditions which could only continue by an abuse of the public.

The $190,000,000 in bonds of the Carnegie Company, except $550,000, were exchanged for a like amount of the bonds of the corporation. The stock holdings in said company of Andrew Carnegie, Mrs. Lucy C. Carnegie, and George Lauder, amounting to $96,000,000 par value, were exchanged for $144,000,000 par value in first mortgage bonds of the corporation. The remainder of the Carnegie stock, $64,000,000 par value, was exchanged for $98,277,120 par in preferred stock and $90,279,040 par in the common stock of the corporation. There was given for the $160,000,000 par value of stock and $159,150,000 bonds of the Carnegie Company, $303,450,000 of bonds and $188,556,160 of stock of the corporation, making a capitalization of $492,006,160 in exchange for one of $319,150,000.

The value of the tangible property of the Carnegie Company did not exceed $160,000,000. The books of the Carnegie Steel Company (Ltd.) showed that the net value on the 31st day of December, 1899, of the assets was $75,610,104.96. This, to a large extent, represented the actual cost of the property as shown in the balance sheets of the company, and the same was a full, fair, and accurate valuation. This statement from the books was verified under oath by Andrew Carnegie and other members of the company. Before the corporation was formed, and within three years prior thereto, H. C. Frick obtained an option upon the Carnegie property at the
23 price of $160,000,000. He proposed the purchase to J. P. Morgan, who declined it upon the ground that the price was too high. And yet, when the plan was made to bring all of these properties under one great combination and get rid of Mr. Carnegie as a competitor, Mr. Morgan and associates paid not less than $492,006,160 for substantially the same property which he but a short time before did not consider worth $160,000,000.

V.

Capacity and Extent of Properties Brought Under Combination in 1901.

At its organization the corporation, through the stocks transferred to it, acquired works with an annual capacity of over 9,400,000 tons of steel ingots, and more than 7,700,000 tons of finished rolled iron and steel products. The proportions of output of principal iron and steel products produced by the corporation and by other companies in the United States in 1901 were as follows:

	Steel corporations' percentage, 1901.	Independent companies' percentage.
Pig iron, spiegel, and ferro	43.2	56.8
Steel ingots and castings	65.7	34.3
Rails	59.8	40.2
Structural shapes	62.2	37.8
Plates and sheets of all kinds (including sheets for tinning, galvanizing, and other coatings)	64.6	35.4
Black plate produced in tin mills	79.8	20.2
Coated tin mill product	73.1	26.9
Black and coated sheets produced in sheet mills	67.3	32.7
Wire rods	77.7	22.3
Wire nails	68.1	31.9
Wrought pipe and tubes capacities	57.2	12.8
Seamless tubes capacities	82.8	47.2

It also acquired several railroads with over one thousand miles of main track and a large mileage of second track and sidings, a fleet of 112 Lake ore vessels, iron-ore reserves in the Lake region estimated by the corporation at over 500,000,000 tons, more than 50,000 acres of coking-coal lands, with a great acreage of other grades of coal, and besides numerous miscellaneous properties.

In 1902 the president of the corporation, Mr. Schwab, with
24 the purpose of justifying the capitalization, valued the ore at $700,000,000. This was a great overestimate of the actual value of the iron ore under free commercial conditions, and could only be sustained as an artificial valuation produced by the power for monopoly of, and restraint of trade and commerce arising from, such large holdings under one control.

VI.

Acquisitions Subsequent to the Original Combination.

THE AMERICAN BRIDGE COMPANY.

This company was incorporated under the laws of New Jersey, in April, 1900, and was a consolidation of the following manufacturing companies or properties:

A. & P. Roberts Co. (Pencoyd Iron Works), Philadelphia, Pa.; Keystone Bridge Works, formerly of the Carnegie Company, Pittsburg, Pa.; Berlin Iron Bridge Co., East Berlin, Conn.; Post & McCord, Brooklyn, N. Y.; Elmira Bridge Co., Elmira, N. Y.; Union Bridge Co., Athens, Pa.; Edge Moor Bridge Works, Wilmington, Del.; Lassig Bridge & Iron Works, Chicago, Ill.; Shifler Bridge Co., Pittsburg, Pa.; Detroit Bridge & Iron Works, Detroit, Mich.; Rochester Bridge & Iron Works, Rochester, N. Y.; Groton Bridge & Manufacturing Co., Groton, N. Y.; Youngstown Bridge Co., Youngstown, Ohio; J. G. Wagner Co. (bridge and structural plant), Milwaukee, Wis.; Wrought Iron Bridge Co., Canton, Ohio; New Columbus Bridge Co., Columbus, Ohio; Gillette-Herzog Mfg. Co., Minneapolis, Minn.; La Fayette Bridge Co., La Fayette, Ind.;

Pittsburg Bridge Co., Pittsburg, Pa.; Schultz Bridge & Iron Co., Pittsburg, Pa.; Buffalo Bridge & Iron Works, Buffalo, N. Y.; Koken Iron Works, St. Louis, Mo.; Hilton Bridge Construction Co., Albany, N. Y.; Horseheads Bridge Co., Horseheads, N. Y.; American Bridge Works, Chicago, Ill.; New Jersey Steel & Iron Co., Trenton, N. J.; Toledo Bridge Co., Toledo, Ohio; Nelson & Buchanan Co., Chambersburg, Pa.

The said companies were competitors and controlled a very large part—more than a majority—of the bridge construction of the United States. There was issued over $60,000,000 of stock, par value.

25 The said American Bridge Company had acquired and exercised a practical monopoly in the bridge business of the United States.

The purpose and effect of said consolidation were a combination between said consolidating companies and the American Bridge Company, their officers, agents, promoters, and underwriters, in restraint of trade and commerce among the several States and with foreign nations, within the meaning of section 1, and were by the said parties an attempt to monopolize and a monopolization of part of the trade or commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act.

The said company, together with the control of all the said consolidated companies and their properties, was acquired by the corporation in 1901. For each share of its preferred stock, par $100, was given $110 in the preferred stock of the corporation, and for each share of its common stock, par $100, there was given $105 in common stock of the corporation. By this acquisition of this large monopolistic combination, which was a large consumer of steel products for the sale of which there was competition, the corporation added greatly to its strength and power to restrain competition and trade and commerce.

LAKE SUPERIOR CONSOLIDATED IRON MINES.

This company was incorporated under the laws of the State of New Jersey in 1893, to acquire and operate mines chiefly in Minnesota. It combined a large number of important mining companies and properties which previously were competitive. The purpose and effect of said combination were a restraint of trade and commerce and a monopolization of part of the trade or commerce within the meaning of the antitrust act.

It was acquired by the corporation in April, 1901. When absorbed, the outstanding stock of the company was $29,424,594. The stock of the company was heavily watered. The stock of this combination was exchanged for stock in the corporation on the basis of $135 of preferred and $135 of common stock of the corporation for each $100.

The company had in 1901 from 300,000,000 to 400,000,000 tons of ore, part leased and part owned in fee. It owned the entire
26 capital stock of the Duluth, Missabe & Northern Railway Co., amounting to $2,512,500. This road extended from Duluth into the Mesabi Range and chiefly transported ore. It operated at a low cost. Its earnings were high. It was a very important acquisition to the corporation. The control of this road, with that of the Duluth & Iron Range Railroad, gave the corporation a very effective control of ore transportation in the Minnesota ore regions, not only with respect to its own production, but also to that of many of its competitors.

BESSEMER STEAMSHIP COMPANY.

This was the leading ore-vessel interest on the Great Lakes. The company owned fifty-six vessels, with a combined capacity of about 228,600 tons per trip. Its properties were acquired in 1901 by the corporation for $8,500,000 in cash.

SHELBY STEEL TUBE COMPANY.

In 1897 the Shelby Steel Tube Company was incorporated under the laws of Pennsylvania. It was a consolidation of several seamless tube companies. The combination produced about 90 per cent of the entire output of the country. In 1899 several other companies were acquired. In 1900 the Shelby Steel Tube Company was reorganized under the laws of New Jersey. It had obtained a practical monopoly by uniting under one combination concerns which were natural competitors and which had until said combination competed with each other except when self-restrained by unlawful pools and agreements. Its authorized capital stock was $15,000,000. Of this, $1,305,900 was issued for fees, expenses, organization, etc.

The purpose and effect of said consolidation were a combination between said consolidating companies, their officers and agents in restraint of trade and commerce among the several States and with foreign nations, within the meaning of section 1, and were by the said parties an attempt to monopolize and a monopolization of part of the trade and commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act.

The control of the Shelby Steel Tube Company was acquired by the corporation in August, 1901, by an exchange of stock, the corporation giving of its stock $1,791,038 preferred and $2,004,550 common for practically the entire stock of the Shelby Company.

Through this acquisition the corporation got rid of a com-
27 petitor of its constituent company, the National Tube Company, and established its supremacy in the seamless tubing branch of the steel industry.

OLIVER IRON MINING COMPANY, PITTSBURG STEAMSHIP COMPANY, AND POCAHONTAS COAL LANDS.

In addition the corporation, shortly after its organization, acquired a one-sixth interest in the Oliver Iron Mining Company and the Pittsburg Steamship Company, the remaining five-sixths interest in these concerns being owned by its constituent, the Carnegie Company.

In the fall of 1901 it secured by lease about 50,000 acres of best Pocahontas coking and fuel coal.

UNION STEEL COMPANY.

The Union Steel Company was incorporated under the laws of Pennsylvania in November, 1899, with $1,000,000 capital stock. Its plant was located at Donora, Pa., and was started for the purpose of manufacturing wire rods, wire, and nails. It acquired considerable ore property through the Donora Mining Company, a subsidiary company with $500,000 capital stock. It also secured large tracts of coking and steam coal in the Connellsville region. The Union Steel Company was an important competitor of the corporation.

The Sharon Steel Company was incorporated under the laws of Pennsylvania in October, 1899, to erect a steel plant at Sharon, Pa. Its plant was enlarged so as to manufacture, in addition to pig iron and heavy semifinished steel products, rods, wire, and wire nails. The company also commenced the construction of tin-plate mills through a subordinate company, the Sharon Tin Plate Company. The original capitalization of the Sharon Steel Company was three millions of dollars, which was increased to six millions. The company had blast furnaces, open-hearth furnaces, continuous wire-rod mills, and was undertaking the construction of a wrought steel pipe plant. It had acquired a valuable ore property on the Mesabi Range and had long-time contracts with the Minnesota Iron Company for a supply of ore. It had also secured a large tract of coking coal land in the Connellsville region and had other coal lands elsewhere. It also owned a limestone property and terminal railroad property. Its operations were such as brought it into sharp competition with the corporation.

28 In November, 1902, a merger was announced of the Union Steel Company and the Sharon Steel Company, under the name of the Union Steel Company, with a capitalization of fifty millions of dollars, thus forming the largest consolidation in the steel industry proper which had been effected since the organization of the corporation itself. The new concern had a pig-iron capacity of about 750,000 tons yearly, and a steel-ingot capacity of about 850,000 tons yearly. With the announcement of the merger were coupled intimations that plans were projected for constructing other important works as well as the acquisition of other concerns then engaged in the manufacture of rods, wire products, sheets, and pipes.

There were also rumors that the new concern might construct a railroad from Lake Erie to the Connellsville coke region, with connections with the company's plants. Within a month from this merger the corporation purchased the entire property through the issue of $45,000,000 of bonds of the Union Steel Company, guaranteed by the corporation. Of this total $29,113,500 were issued at the time for the property, $8,512,500 were sold to the vendors, to be paid for in cash at par under the agreement, while $3,500,000 were reserved to retire bonds outstanding against the Sharon properties, and $3,874,000 were reserved for future construction and improvements. The price paid for these properties was greatly in excess of the cost to the Union Steel Company and the Sharon Steel Company and was in excess of their actual value at the time they were taken over by the corporation. The corporation desired to eliminate the competition of influential interests back of the Union concern, particularly that of H. C. Frick.

The Union Steel Company, organized in 1899, and the Sharon Steel Company, organized in the same year, were competitors, and their combination in the new Union Steel Company was in restraint of trade and commerce among the several States and with foreign countries and a monopolization of a part of the trade or commerce among the several States and with foreign countries, within the meaning of the antitrust act.

TROY STEEL PRODUCTS COMPANY.

The American Steel & Wire Company, one of the constituents of the corporation, controlled and directed by it, acquired as of January 1, 1903, the entire issue of capital stock and first
29 mortgage bonds of the Troy Steel Products Company, a competitor which owned three blast furnaces, steel works, and a rolling mill situated in the State of New York.

THE CLAIRTON STEEL COMPANY.

In May, 1904, the corporation acquired the entire capital stock of the Clairton Steel Company, formerly owned by the Crucible Steel Company. Coupled with this transaction was a contract by which the Crucible Steel Company was to secure a large amount of pig iron and billets from the corporation for a period of ten years, which contract was in restraint of trade and commerce within the meaning of the antitrust act. The Clairton Steel Company, in addition to its manufacturing plant, with a capacity of 475,000 tons of pig iron and 400,000 tons of steel ingots yearly, owned or leased very large quantities of ore in the Lake Superior region and valuable deposits of coking coal. The corporation thus got rid of a competitor, and its monopolistic control of such ore and coal was thus increased.

GREAT NORTHERN ORE LEASE.

In the early part of 1907 the Great Northern Railway interests, which had acquired control of immense tonnages of ore by purchase or lease, caused to be transferred by lessor companies controlled by it, viz:

West Missabe Land Co., Limited.
Wright Land Co., Limited.
Davis Land Co., Limited.
Wells Land Co., Limited.
Stone Land Co., Limited.
Wabigon Iron Co.
Minosin Iron Co.
Nibiwa Iron Co.
Wenona Iron Co.
Minawa Iron Co.
Leonard Iron Mining Co.
Arthur Iron Mining Co.
Fillmore Iron Mining Co.
Harrison Iron Mining Co.
Jackson Iron Mining Co.
Polk Iron Mining Co.
Tyler Iron Mining Co.
Van Buren Iron Mining Co.

the larger part of these holdings by lease to the Great Western Mining Company, a subsidiary of the corporation, the performance of the stipulations of the lease being guaranteed by the corporation. In said lease, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, and J. H. Gruber joined as trustees. The corporation agreed to mine the ore and ship it over the Great Northern Railway, paying therefor a royalty. It was provided that the corporation might cancel the lease January 1, 1915, on giving two years' written notice. The corporation, by this transaction, desired to prevent this ore either from being mined and sold to independent producers or from being utilized to build up a new and dangerous competitor in the iron and steel business. The practical effect was to forestall competition and greatly increase the corporation's control of the ore resources of the country. The royalty agreed to be paid was unprecedently large, thus showing the extent to which the corporation was willing to go to prevent this ore falling into the hands of competitors. By this acquisition the corporation strengthened its dominating position. In 1907, the holdings of the corporation in Minnesota, which State includes the Mesabi and Vermillion Ranges, amounted to about 913,000,000 tons, or 75 per cent. of the total ore deposits of the State. Its proportion of ore of the whole Lake Superior region was approximately the same. Authoritative data submitted to the Senate Finance Committee in 1909, with the corporation's consent, showed that the cor-

poration itself then reckoned on about 1,625,000,000 tons of Lake ore, of which 1,258,000,000 tons were of the current commercial standard, which quantity was approximately seventy-five per cent. of the total commercially available ore in the entire Lake Superior region.

The purpose and effect of said lease were to shut off competition by preventing the establishment of a competitor, to secure an undue power over the steel business by controlling the source of supply of ore by taking it out of the market, and to restrain trade and commerce, and a monopolization within the meaning of the antitrust act.

Petitioner has been informed by the corporation that its finance committee, on October 17, 1911, unanimously decided to cancel said lease. However, under the terms of said lease no such cancellation can take effect before January 1, 1915, and there is no limitation upon the amount of ore that can in the meantime be taken out by the corporation.

31 TENNESSEE COAL, IRON & RAILROAD COMPANY.

In 1907 the corporation acquired the control and almost the entire ownership of the Tennessee Coal, Iron & Railroad Company, which will hereinafter be called the Tennessee company. The properties of this company were located mainly in Alabama and Tennessee.

Owing to the character of its coal and iron deposits, their location, and that of limestone, with reference to each other and to furnaces and transportation, the Tennessee company could manufacture pig iron cheaper than it could be made in any other part of the United States. On account of its vast holdings of coal and iron properties, the steady growth of the manufacturing interests of the South, the fact that the known commercially available coal and iron deposits of the United States had been almost entirely acquired by manufacturing companies looking to their development, the gradual overlapping of the zones of competition, and its control by a strong and aggressive syndicate of capitalists, it was a strong probable future competitor of the corporation. Most of the rails in the United States had been made out of Bessemer ores. On account of accidents attributed to inherent weakness in such rails, a demand arose for an open-hearth rail, and for such process the ores owned by the Tennessee company were available. In 1907 a sensation was created in the steel-rail market by E. H. Harriman, who controlled a large railroad mileage, ordering from the Tenessee company 157,500 tons of open-hearth steel rails, at $1 more per ton than the price of Bessemer rails. This at once put that company into a position of an actual competitor of the corporation, and of a possible competitor that could not be ignored, of great potentiality. The corporation was not slow to discern the situation. James Gayley, first vice president of the corporation, having acquainted himself with the properties of the Tennessee company, had already recom-

mended to Mr. Frick, who then was a director of the corporation, that it acquire the properties of the Tennessee company. This was about six months before the purchase was made. A syndicate, which purchased, at $110 per share, 118,500 of the total 225,000 shares of the Tennessee company, acquired the control for the purpose of development and operation. Subsequently, a syndicate composed partly of the original members, purchased 50,000 addi-
32 tional shares at $120 or $130 per share, thus putting 168,500 shares under syndicate control. After these purchases the company expended $7,000,000 in betterments and additions, and was preparing to spend $3,000,000 more. It was the purpose of the syndicate to bring the whole plant up to modern standards and to increase the capacity as conditions warranted. The company had rails booked for 1908 delivery of about 350,000 tons.

Grant B. Schley, of the firm of Moore & Schley, of New York City, was one of the syndicate holding a majority of the stock. This was known to the officers of the corporation. Moore & Schley, in October, 1907, owed large sums of money in New York and elsewhere, from $35,000,000 to $38,000,000, upon call and time loans which were running to maturity. Some of these loans were partly secured by pledge of 100,000 shares of Tennessee stock, the amount fluctuating.

In October, 1907, a great panic came, and New York was the storm center.

Those in control of the corporation obtained intimate knowledge of the affairs of Moore & Schley, and of their holdings of Tennessee stock. The credit of Moore & Schley and the character of their stock holdings, such as Tennessee stock, Republic Iron and Steel stock, and other industrials, was discussed on the Street and among bankers, and the question of their failure was mooted. The Tennessee stock was specially subjected to criticism, and, in Wall Street parlance, was "hammered" as a collateral. H. C. Frick and E. H. Gary, representing the corporation, took up the negotiation with Schley for the purchase of the syndicate stock of the Tennessee company, offering him first the equivalent of sixty cents on the dollar and afterwards seventy-five cents on the dollar in cash for the stock, which Schley declined. Oakleigh Thorne, who was president of the Trust Company of America, a New York institution, was one of the syndicate that purchased the majority of the stock of the Tennessee company, having subscribed for 12,500 shares.

In a New York paper of October 23rd appeared a statement headed "Aid Trust Company of America." Among other things it said that at a meeting the night before of the chief bankers of the city, headed by J. P. Morgan & Co., it was formally decided that the point then needing buttressing was the Trust Company of America, and that this determination was announced after
33 Mr. Perkins (meaning George W. Perkins, of J. P. Morgan & Co.) had been in conference subsequent to said gathering of bankers. A part of the article subheaded "The official statement,"

said: "The chief sore point is the Trust Company of America." After expressing confidence in the condition of the company and stating that it would be aided and that cash had been guaranteed therefor, it was stated that these steps were taken for the purpose of announcing that the company would be taken care of if an examination into its affairs, which had been authorized, showed conditions to be as sound as there was every reason to believe them to be. This announcement helped materially to cause a run on the said trust company, and aggravated the general uneasy condition, and made the position of Moore & Schley more desperate. It was generally known that Thorne and Schley were members of the Tennessee syndicate. Regardless of the intent in giving out the statement—and the facts are not sufficiently known to make any charge in this regard—the fact is that it contributed directly and strongly toward bringing Moore & Schley to a point of imminent failure, although they were amply solvent. Their condition had become desperate. It being generally regarded by bankers and financiers that their failure might precipitate a general crisis, they, J. P. Morgan & Co. taking the lead, exerted themselves by advances of ready money to meet pressing demands and otherwise to prevent their suspension. Much of the effort, however, revolved about the proposition for the corporation to acquire the stock of the Tennessee company. Nothing less than the control of the Tennessee company was considered by the corporation, and negotiations proceeded rapidly and steadily to that end, it being represented to Schley that in no other way could relief be brought to him. There was fear upon the part of the corporation that when the movement became publicly known the Government might take steps to prevent its consummation. In view of this E. H. Gary, the chairman of the executive committee of the corporation, and H. C. Frick, a director, went to Washington, reaching there Sunday morning, November 4, to see the President, having previously made an appointment. Without fully disclosing all the facts in regard to the Tennessee stock, its ownership, the amount of money esti-
34 mated as necessary to relieve Moore & Schley, and the arrangements that had already been made to relieve the Trust Company of America, they represented to the President that the only thing that would prevent a vicious spread of the panic was for the corporation to acquire the stock of the Tennessee company. The President recorded, in a letter to the Attorney General written in their presence, their representations. He states that said Gary and Frick told him that there was a certain business firm which would fail if help should not be given and that among its assets were a majority of the securities of the Tennessee Coal Company. The firm referred to was undoubtedly Moore & Schley, but it was not true that among the assets of the firm were a majority of said securities. Nor was it true that said Schley had among his assets a majority or anything approximating it. The President further said in his letter: "Judge Gary and Mr. Frick informed me that

but little benefit will come to the Steel Corporation from the purchase." This statement to the President was a misleading one. The property was very valuable. Next to the corporation the Tennessee company, as will be shown, had the largest coal and ore properties in the United States of any steel concern. A competitor was removed. The corporation, in its report to its stockholders of this purchase, said that the terms of purchase were satisfactory, both as to price and manner of payment; that the purchase of the property promised benefit to the corporation; and that the Tennessee property was very valuable. The President was not made fully acquainted with the state of affairs in New York relevant to the transaction as they existed. If he had been fully advised he would have known that a desire to stop the panic was not the sole moving cause, but that there was also the desire and purpose to acquire the control of a company that had recently assumed a position of potential competition of great significance. The President, taken as he was partially into confidence, and moved by his appreciation of the gravity of the situation and the necessity for applying what was represented to him to be the only known remedy, stated that he did not feel it to be his duty to prevent the transaction. The matter then moved rapidly to consummation. The corporation and its powerful banker allies did not advance the money or lend the bonds of the corporation upon the Tennessee stock, which would have relieved Moore & Schley, so far as the Tennessee collateral was concerned, and which would not have exceeded six or eight millions of dollars. They took the position that nothing would relieve the situation but the corporation taking over absolutely the majority of the Tennessee stock. This was done, and it acquired, also, under the same agreement, additional stock, bringing the entire amount up to $30,374,825, leaving outstanding only $220,160. The corporation exchanged for the stock its own bonds, on a basis which paid par in cash for stock which Gary a few days before said was not worth more than sixty cents on the dollar.

While as to much of the situation the facts are in doubt, it is certain that the corporation availed itself of the embarrassment of Moore & Schley at a most critical period, and the hammering of the Tennessee stock and the threatening of a general financial calamity, to acquire the control of a competitor taking on a formidable aspect.

By this purchase the corporation acquired 447,423 acres of mineral lands in Tennessee, Georgia, and Alabama, containing approximately 400,000,000 tons of merchantable ore and 1,200,000,000 tons of coal, of which over one-third is coking coal.

The Tennessee properties embraced eighteen developed and active iron ore mines and twenty-three coal mines, sixteen blast furnaces, the ownership of several land companies holding extensive tracts of lands, and the Birmingham Southern Railroad Company, a terminal property of great value connecting the various mines and plants in the Birmingham district with all the diverging trunk lines.

The capacity of the Tennessee company's blast furnaces a year was about 1,000,000 tons, and its steel-ingot capacity was about 500,000 tons.

The possibilities of the Tennessee properties and the development of its raw material are immense and greatly increase the control by the corporation over the total available ore supply of the country.

The corporation thus greatly strengthened its control of the iron ore supply of the country, its predominating position in the iron and steel trade of the South, eliminated a competitor, and unlawfully acquired a power which is a menace to the welfare of the country and should be destroyed.

36

VII.

Position Achieved by the Corporation Through the Ownership or Control of Coal, Coke, Iron Ore, and Transportation.

The control of transportation of ore by means of railroads and ships acquired by the corporation as heretofore shown gives it a commanding position over its competitors, none of whom has any such transportation of any consequence, and some of whom are dependent for their ore upon the transportation furnished by the corporation. The profits derived by the corporation from its transportation properties, chiefly railroad lines, represent a large part of its earnings, and these are largely derived from the rates and tolls imposed by the corporation upon other steel manufacturers who have to have their ore transported in the Minnesota ore region by the Duluth and Iron Range and the Duluth & Missabe Railroads. By the power thus acquired a burden is imposed upon competitors and a restraint is thereby exercised upon trade and commerce between the States. Since 1904 the Duluth & Iron Range Railroad Company has paid dividends upon the capital which have averaged more than 100 per cent per annum. For the same period those of the Duluth, Missabe & Northern Railway Company have been from 102 per cent to 240 per cent per annum upon the capital stock. Petitioner has recently received information of the purpose of the corporation to reduce the rates of these roads on ore 20 cents per ton.

Through the ownership of the Elgin, Joliet and Eastern Ry., and more particularly through the Bessemer and Lake Erie, the corporation has a further important advantage over most of its competitors with respect to transportation.

Its minor railroad properties, particularly the Union Railroad of Pittsburg, the Chicago, Lake Shore and Eastern Railway, the Connellsville & Monongahela Railway, and that of the Tennessee company are important factors in its transportation system and give it an advantage over its competitors.

37 At its organization it controlled the bulk of the best coking coal lands in the Connellsville region and so acquired a great advantage over its competitors. In 1911 it made an important acquisition of coking coal properties from the Pittsburg Coal Com-

pany. The control acquired of coking and other coal through the Tennessee Company has added vastly to the strength of its position through absorption of raw material, thus locking it up and withdrawing it from the market and acquirement by its possible competitors. Its holdings of commercially available ores greatly exceed those of all other iron and steel interests combined. The ores of the Lake Superior region substantially form the basis of the steel production of the country. Of this ore in the State of Minnesota the corporation controls not less than seventy-five per cent. Its control of the ore in Michigan is approximately the same. In acquiring these ores the corporation has pursued the policy of securing the ore supply of the country far in advance of any of its needs in the near future, with the result that it has largely forestalled competition by shutting off the sources upon which it could be successfully based.

The ore-leasing system, where there is no limit placed on the number of leases that can be combined under a single interest, greatly facilitates the gathering in by a great concern like the corporation of a vast amount of ore reserves, far in advance of any commercial need for them. It affords an opportunity for a strong concern to corner ore reserves and forestall the rise of competition.

E. H. Gary stated upon oath, before the Ways and Means Committee of the House in December, 1908, that the corporation pretty nearly controlled the ultimate ore supply of the country.

The control of such a large proportion of available ore and of so much of the transportation of ore from the ore fields gave the corporation the power to largely control the iron and steel market, enforce its plans and wishes upon its competitors, restrain competition, control market prices, restrain trade and commerce among the States and with foreign countries, and this it has, since 1901, continuously done, in contravention of the antitrust act.

38

VIII.

Extensions and Earnings.

Since its organization, the corporation, by means of its great earnings, made possible largely through the power and control over the trade in iron and steel derived from and exercised by the combinations described, has further increased its power, influence, and dominancy by enlarging its old plants and constructing new ones, paid for largely from its earnings.

The investment of earnings has been from $100,000,000 to $450,000,000.

Its net earnings, as shown by its annual reports for nine months of the year 1901 and for the years 1902 to 1910, inclusive, aggregated $980,045,838.80. This was an average of about 7 per cent per annum upon the total capitalization of the company. The real earnings amounted to an average approximating 12 per cent per

annum upon the actual average investment in the properties, but in estimating such actual investment there are included values which arose from additions made out of earnings, which earnings were largely and wrongfully enhanced by the unlawful combination and the power and control exerted by it.

IX.

Changes as to the Properties of Various Constituent Companies.

In April, 1903, the Carnegie Company (of New Jersey), the National Steel Company, and the American Steel Hoop Company were combined under a corporation chartered by the State of New Jersey named the National Steel Company, which name was changed to Carnegie Steel Company, with a capital stock of $63,000,000, afterwards increased to $65,250,000. The Carnegie Company (of New Jersey) and the National Steel Company were both large producers of pig iron and steel billets and other heavy steel products, and but for their common control by the corporation would, as to these things, have been competitors. The said Carnegie Company also produced merchant bars and other products similar to those made by the American Steel Hoop Company, and said companies as to said products would have been competitors but for their
39 common control by the corporation. Thus by this rearrangement there has been a further consolidation of naturally competitive concerns under subordinate companies and corporations.

In April, 1903, the coke properties of the various subsidiary concerns of the corporation were transferred to the H. C. Frick Coke Co., the capital stock of which was increased from ten millions of dollars to twenty millions of dollars.

On December 31, 1903, a further consolidation was brought about through the purchase by the American Sheet Steel Company of all the property of the American Tin Plate Company, the name of the Sheet Steel Company being changed to the American Sheet and Tin Plate Company. Thus were brought together under one consolidation of subordinate companies concerns which would have been competitors but for the common control exercised over them by the corporation.

In the same way and with the same effect the plants of the Lorain Steel Company, at Lorain, Ohio, which had a large tube manufactory, were brought under the control of the National Tube Company.

In 1904 all the various ore properties of the corporation were placed under the active control of the Oliver Iron Mining Company.

About the same period the various properties of the Union Steel Company were leased to other subsidiary concerns of the corporation. Thus the blast furnaces and the steel works were leased to the Carnegie Steel Company, and the wire plants to the American Steel and Wire Company.

40 After these changes the principal constituent concerns of the corporation, the stocks of which were directly held by it on July 1, 1911, were as follows:

Company.	Class of stock.	Total outstanding capitalization.	Amount owned by United States Steel Corporation.
Carnegie Steel Company (of New Jersey)		$65,250,000.00	$65,250,000.00
Federal Steel Company	Common	46,484,300.00	46,484,300.00
	Preferred	53,240,900.00	53,240,900.00
American Steel and Wire Company of New Jersey	Common	50,000,000.00	49,989,400.00
	Preferred	40,000,000.00	39,999,000.00
National Tube Company	Common	40,000,000.00	40,000,000.00
	Preferred	40,000,000.00	40,000,000.00
American Sheet and Tin Plate Company	Common	24,500,000.00	24,499,600.00
	Preferred	24,500,000.00	24,499,600.00
American Bridge Company		10,000,000.00	10,000,000.00
Shelby Steel Tube Company	Common	8,151,500.00	8,151,500.00
	Preferred	5,000,000.00	5,000,000.00
Lake Superior Consolidated Iron Mines		29,887,448.97	29,887,448.97
Pittsburg Steamship Company		7,880,000.00	[1] 221,700.00
Union Steel Company		20,000,000.00	20,000,000.00
Clairton Steel Company		3,500,000.00	3,500,000.00
Tennessee Coal Iron, and Railroad Company	Common	32,529,997.50	32,442,795.00
	Preferred	124,500.00	
	Guaranteed preferred	178,000.00	

[1] The balance of the capital stock of Pittsburg Steamship Company ($7,658,300) is owned by Carnegie Steel Company.

A number of these constituents had subsidiary companies in addition to property held in fee. A statement as to these constituent companies and their subsidiary companies is as follows:

CARNEGIE STEEL COMPANY (NEW JERSEY).

Capital stock, $65,250,000. All owned by the corporation.

In addition to the amount of capital stock as above, the Carnegie Steel Company has a capital surplus account of $189,000,000, arising as follows: In 1903 a consolidation or merger was made of the Carnegie Company, National Steel Company, and American Steel Hoop Company. The aggregate amount of capital stocks of these three companies before the merger was $252,000,000.

41 The stock of the merged or consolidated company was fixed at 25 per cent of the total of the old companies' stocks, or $63,000,000 (since increased to $65,250,000), thus giving to the consolidated company a capital surplus of $189,000,000.

The Carnegie Steel Company of New Jersey, aside from owning in fee all the manufacturing properties formerly owned by the National Steel Company and the American Steel Hoop Company, also controls the following companies through ownership of their capital stocks, the total capital stock of said companies being as stated below:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
3. Carnegie Steel Co. (Pa.)	$350,000,000	100
3. Carnegie National Gas Co	300,000	100
Union R. R. Co	2,000,000	100
3. Slackwater Connecting R. R. Co	10,000	100
3. Etna & Montrose R. R. Co	60,000	100
4. Sharon Connecting R. R. Co	10,000	100
3. Pittsburg & Conneaut Dock Co	100,000	100
3. Youghiogheny Northern R. R. Co	100,000	100
3. Mt. Pleasant Water Co	150,000	100
3. Trotter Water Co	850,000	100
3. Union Supply Co	500,000	100
3. Bessemer & Lake Erie R. R. Co	500,000	100
2. Pittsburg, Bessemer & Lake Erie R. R. Co.:		
Common	10,000,000	55
Preferred	2,000,000	38
3. Carnegie Land Co	10,000	100
3. Conneaut Land Co.	10,000	100
3. Conneaut & Eastern R. R. Co	1,000	100
2,5. Penn. & Lake Erie Dock Co	675,000	52
2. Columbus Stone Co	60,000	100
2. Mahoning Limestone Co	50,000	51
3. Isabella Limestone Co	3,000	67
3. Pittsburg Limestone Co. (Ltd.)	60,000	75
3. Peoples Supply Co. (Ltd.)	10,008	75
4. Bessemer Electric Power Co	5,000	100
3. Mingo Coal Co	1,000	100
3. National Mining Co	500,000	66⅔
2. Pewabic Co	200,000	50
2,6. H. C. Frick Coke Co	20,000,000	74+
1,3. Pittsburgh S. S. Co	7,880,000	97+
3. Oliver Iron Mining Co	1,300,000	100
Subsidiary companies of foregoing.		
Of Union R. R. Co.:		
3. Monongahela Southern R. R. Co.	$160,000	100
Of H. C. Frick Coke Co.:		
3. Standard Water Co	10,000	100
4. Sewickley Water Co	50,000	100
2. Hostetter Connellsville Coke Co	1,500,000	87
Of Oliver Iron Mining Co.:		
2. Lake Superior Iron Co	2,100,000	75
2. Regent Iron Co	450,000	75
2. Security Land & Exploration Co	100,000	100
4. Braddock Iron Mining Co	30,700	100
4. Homestead Iron Mining Co	30,000	100
4. Duquesne Iron Mining Co	22,100	100
4. Allegheny Iron Mining Co	22,900	100
4. Hope Iron Mining Co	30,200	100
4. Neville Iron Mining Co	50,000	100
4. Monongahela Iron Mining Co	5,700	100
4. Lorain Iron Mining Co	50,000	100
4. Agawam Iron Mining Co	17,400	100
4. Great Western Mining Co	6,000,000	100
4. Ambridge Iron Mining Co	50,000	100
4. Morewood Iron Mining Co	50,000	100
4. Pencoyd Iron Mining Co	48,300	100
4. Munhall Iron Mining Co	50,000	100
4. Monessen Iron Mining Co	50,000	100
4. Somerset Iron Mining Co	50,000	100

[1] The numbers refer to notes at p. 46.

42 FEDERAL STEEL COMPANY (NEW JERSEY).

Capital stock: Common, $46,484,300; preferred, $53,260,900. Entire amount is owned by the corporation.

The Federal Steel Company owns no property in fee. It controls the following companies through ownership of their capital stocks. The total capital stocks of said companies are as stated below:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
2. Minnesota Iron Co	$16,500,000	100
2. Illinois Steel Co	18,650,000	100
2, 7. Elgin, Joliet & Eastern Ry. Co	10,000,000	60
2. The National Tube Co. (Of Ohio):		
Common	6,000,000	100
Preferred	3,000,000	100
3. The Lorain Steel Co	3,000,000	100
3. The Lake Terminal R. R. Co	2,000,000	100
3. Johnstown & Stony Creek R. R. Co	91,500	100
3. Ind'eside Coal Co. (Ltd.)	14,000	100
4. Indiana Steel Co	20,000,000	100
4. Gary Land Co	10,000	100
4. Connellsville & Monongahela Ry. Co	700,000	100
2. H. C. Frick Coke Co. (for capitalization see Carnegie Steel Co.)		3+
4. Bunsen Coal Co	10,000	100
4. U. S. Steel Products Co	1,000,000	100
4. Minnesota Steel Co	1,000,000	100
4. Interstate Transfer Ry. Co	50,000	100
4. Spirit Lake Transfer Ry. Co	65,000	100
4. Pilot Mining Co	20,000	85
Subsidiary companies of foregoing.		
Of Minnesota Iron Co.:		
2. Chandler Iron Co	80,000	51
2. Chapin Mining Co	1,000,000	100
2. Winthrop Iron Co	500,000	100
3. Alpha Ore Co	500	100
3. Auburn Iron Co	400,000	100
3. Beta Ore Co	500	100
3. Bishop Iron Co	57,000	100
3. Canton Iron Co	50,000	100
3. Chippewa Iron Co	27,000	100
3. Delaware Iron Co	8,000	100

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
Subsidiary companies of foregoing—Continued.		
Of Minnesota Iron Co.—Continued.		
3. Ely Iron Co	$100,000	100
3. Laval Iron Co	45,150	100
3. Onteo Iron Co	9,000	100
3. Hugo Iron Co	50,000	100
3. Manila Iron Co	32,000	100
3. Norman Iron Co	50,000	100
3. Northern Development Co	100,000	100
3. Duluth & Iron Range R. R. Co	3,000,000	100
Of Illinois Steel Co.:		
1. Universal Portland Cement Co	1,000,000	100
1. United States Coal & Coke Co	2,000,000	100
2. H. C. Frick Coke Co. (for capitalization see Carnegie Steel Co.)		10+
4. United Supply Co	100,000	100
3. Cundy Iron Co	50,000	100
4. Illinois Steel Warehouse Co	100,000	100
3. Chicago, Lake Shore & Eastern Ry. Co	9,000,000	100
3. Joliet & Blue Island Ry. Co	100,000	100
3. Chicago & So. Eastern Ry. Co	100,000	100
3. Chicago & Kenosha Ry. Co	100,000	100
3. Milwaukee, Bay View & Chicago R. R. Co	100,000	100
Of Gary Land Co.:		
4. Gary Heat, Light & Water Co	100,000	100
Of U. S. Steel Products Co.:		
4. Isthmian S. S. Co	£25,003	100

[1] The numbers refer to notes at p. 46.

Capital stock: Common, $50,000,000; preferred, $40,000,000. All but 106 shares common and 10 shares preferred is owned by the corporation.

A very large part of the property of the American Steel and Wire Company is owned in fee. The company also controls the following subsidiaries:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
4. American Steel & Wire Co. (of Alabama)	$100,000	100	3. Newburg & South Shore Ry. Co.	$1,500,000	100
3. American Steel & Wire Co. (of Colorado)	25,000	100	3. Waukegan & Mississippi Valley Ry. Co.	22,000	100
2. Trenton Iron Co.	600,000	100	2. H. C. Frick Coke Co. (for capitalization see Carnegie Steel Co.).		11
3. Canadian Steel & Wire Co.	30,000	100	4. United Coal Co. (for capitalization see A. S. & T. P. Co.)		25
2. Griswold Wire Co.	75,000	100	2. Pennsylvania & Lake Erie Dock Co. (for capitalization see Carnegie Steel Co.)		18
2. Troy Steel Products Co.	300,000	100			
3. American Mining Co.	1,000,000	100			
3. American Land Co.	200,000	100			
2. Edgar Zinc Co.	1,000,000	80			
3. Pittsburgh & Ohio Valley Ry. Co.	60,000	100			
3. Northern Liberties Ry. Co.	5,000	100			

[1] The numbers refer to notes at p. 46.

NATIONAL TUBE COMPANY (NEW JERSEY).

Capital stock: Common, $40,000,000; preferred, $40,000,000. Entire amount is owned by the corporation.

The greater part of the property of the National Tube Company is owned in fee. The company also owns the following stocks of subsidiary companies:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
2. National Tube Works Co.	$100,000	100	2. Pennsylvania & Lake Erie Dock Co. (for capitalization see Carnegie Steel Co.)		7+
3. Benwood & Wheeling Connecting Ry. Co.	50,000	100			
3. McKeesport Connecting R. R. Co.	1,000,000	100			
4. H. C. Frick Coke Co. (for capitalization see Carnegie Steel Co.)		1			

[1] The numbers refer to notes at p. 46.

44 AMERICAN SHEET AND TIN PLATE COMPANY (NEW JERSEY).

Capital stock: Common, $24,500,000; preferred $24,500,000. All but 4 shares of each class of stock is owned by the corporation.

In addition to the amount of capital stock as above, the American Sheet and Tin Plate Company has a capital surplus account of $16,325,000 arising from the merger of the American Tin Plate Company and the American Sheet Steel Company. In that merger the stock of the consolidated company remained the same as the stock of the American Sheet Steel Company previously was, thus resulting in the company having a capital surplus equal to the stock of the American Tin Plate Company in lieu of which no new stock was issued.

Nearly all of the property of the company is owned in fee. The subsidiary concerns are as follows:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
2. W. Dewees Wood Co.	$1,500,000	100	3. Apollo Gas Co.	$100,000	100
Versailles Fuel Gas Co.	100,000	100	4, 8. United Coal Co.	60,000	75
McKeesport Terminal R. R. Co.	12,000	100	3, 9. National Mining Co.		33⅓
3. Elwood, Anderson & Lapelle R. R. Co.	50,000	100	2, 10. Sharon Tin Plate Co.		40⅓

[1] The numbers refer to notes at p. 46.

AMERICAN BRIDGE COMPANY (NEW JERSEY).

Capital stock, $10,000,000. All owned by the corporation.

In addition to the amount of capital stock as above, the American Bridge Company has a capital surplus account of $52,324,600 arising from reducing the par value of its capital stock from $62,324,600 to the nominal amount of $10,000,000.

The greater part of the property of the company is owned in fee. Its subsidiary companies are as follows:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
4. American Bridge Co. (of New York).	$100,000	100	3. Pencoyd & Philadelphia R. R. Co.	$5,000	100
4. Empire Bridge Co.	3,000,000	100			
4. American Improvement Co.	2,500	100			

[1] The numbers refer to notes at p. 46.

45 LAKE SUPERIOR CONSOLIDATED IRON MINES (NEW JERSEY).

Capital stock, $29,887,448.97. All owned by the corporation.

The subsidiary companies of the Lake Superior Consolidated Iron Mines and their capital stocks are as follows:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
2. Duluth, Missabe & Northern Ry. Co.	$4,112,500.00	100	4. Cambridge Iron Mining Co.	$50,000.00	100
4, 11. Proctor Water & Light Co.	250,000.00	100	4. Clarion Iron Mining Co.	50,000.00	100
3. Adams Mining Co.	220,000.00	100	4. Crawford Iron Mining Co.	50,000.00	100
2. Spruce Mining Co.	66,000.00	100	4. Cumberland Iron Mining Co.	50,000.00	100
2. Mountain Iron Co.	1,603,000.00	100	3. Essex Iron Co.	1,293,267.48	100
2. Great Northern Mining Co.	3,500,000.00	99+	3. Rouchelau-Rey Mining Co.	95,000.00	100
2. Shaw Iron Co.	2,970,900.00	99+	3. Tubal Iron Mining Co.	50,000.00	100
2. Rathbun Iron Mining Co.	100,000.00	100	3. Owasco Iron Co.	50,000.00	100
4. Greenville Iron Mining Co.	50,000.00	100	3. Oneida Iron Co.	50,000.00	100
2. Missabe & Northern Town Site Co.	6,900.00	100	3. Seneca Iron Co.	50,000.00	100

[1] The numbers refer to notes at p. 46.

UNION STEEL COMPANY (PENNSYLVANIA).

Capital stock, $20,000,000. All owned by the corporation.

The Union Steel Company owns a considerable amount of property in fee.

The subsidiary companies (which hold a large portion of the property) and their capital stocks are as follows:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
3. Sharon Coke Co.	$2,510,000	100	3. Girard Land Co.	$300,000	100
3,12. Republic - Connellsville Coke Co.	2,500,000	100	3. Sharon Land Co.	5,000	100
3. Sharon Ore Co.	5,000,000	100	2. Sharon Tin Plate Co.	800,000	59⅓
3. Donora Mining Co.	6,000,000	100	3. Matthews Woven Wire Fence Co.	49,000	100
3. Mercer Valley R. R. Co.	275,000	100	3. Sharon Coal & Limestone Co.	300,000	66⅔
3. Donora Southern R. R. Co.	40,000	100			

[1] The numbers refer to notes at p. 46.

46 CLAIRTON STEEL COMPANY (PENNSYLVANIA).

Capital stock, $3,500,000. All owned by the corporation.

The greater part of the property of Clairton Steel Company is owned in fee. Its subsidiary companies and their capital stocks are as follows:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
3. St. Clair Terminal R. R. Co.	$1,000,000	100	2. Champion Iron Co.	$498,750	100
3. Clairton Land Co.	1,000	100	3. St. Clair Limestone Co.	25,000	51

[1] The numbers refer to notes at p. 46.

TENNESSEE COAL, IRON, AND RAILROAD COMPANY (TENNESSEE).

Capital stock: Common, $32,529,997.50; preferred, $124,500; guaranteed preferred (Alabama Steel and Ship Building Company), $178,600. All of the common stock, except $87,202.50, is owned by the corporation, but none of the preferred or guaranteed preferred stock is owned by the corporation.

The great bulk of the property of the Tennessee Coal, Iron and Railroad Company is owned in fee; the company has, however, the following subsidiaries:

Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.	Subsidiaries.[1]	Amount of capital stock.	Per cent owned by parent company.
2. Birmingham Southern R. R. Co.	$1,200,000.00	100	3. Ensley Land Co.	$450,163.75	57+
3. Tennessee Land Co.	10,000.00	100	3. Potter Ore Co.	800,000.00	50

[1] The numbers refer to notes at p. 46.

NOTES.

1. The United States Steel Corporation also owns $221,700 (par value) of the stock of the Pittsburg Steamship Company, the balance of the stock being owned by the Carnegie Steel Company.

2. Companies which were independent concerns prior to the time that control or ownership thereof passed to the parent company now controlling or owning same.

3. Companies which were promoted and organized in the interest of their respective parent companies, in the extension of their business, prior to the date the United States Steel Corporation acquired control of the said parent companies.

4. Companies which have been promoted and organized in the interest of their respective parent companies, in the extension of their business, since the time the United States Steel Corporation acquired control of said parent companies.

5. American Steel and Wire Company and National Tube Company also own stock of this company, giving an ownership by United States Steel interests of 77.9 per cent of total.

6. The remaining 26 per cent of Frick Coke Company stock is owned by other companies controlled by the United States Steel Corporation, viz: National Tube Company, 1 per cent; American Steel and Wire Company, 11+ per cent; Illinois Steel Company, 10+ per cent; Federal Steel Company, 3+ per cent. Thus the entire stock of Frick Coke Company is owned by United States Steel interests. In addition to its outstanding stock of $20,000,000 the Frick Company has a capital surplus of $4,871,231.30 arising from merger of companies.

7. The remaining 40 per cent of this company's stock is owned by the Chicago, Lake Shore and Eastern Railway Company, a subsidiary of the Illinois Steel Company.

8. Balance of stock owned by American Steel and Wire Company.

9. See Carnegie Steel Company for particulars of stock, etc.

10. See Union Steel Company for particulars of stock, etc.

11. Authorized amount.

12. This company has also a capital surplus of $2,080,000 arising from merger of companies.

47 X.

CONSOLIDATIONS.

The said several constituent companies and the owners of the said several properties brought together by the said several combinations and consolidations under the said several defendant constituent companies as aforesaid, which, as shown, were subsequently combined under the corporation, were, before and at the time of the said several combinations and consolidations entered into by said constituent companies, engaged in manufacturing products or mining, according to the character of their several businesses, for trade and commerce among the States and Territories of the United States, the District of Columbia, and with foreign nations, and in having the same transported outside of the States severally where they were manufactured, or where said mining was carried on, and into the several States and Territories of the United States, the District of Columbia, and foreign nations, and in selling the same outside of the States where they were produced and in the several States and Territories of the United States, the District of Columbia, and foreign nations; and since said combination and consolidation under the corporation, the aforesaid constituent companies of the corporation and the corporation controlling them have, from time to time and down to the present time, engaged in manufacturing products or mining, according to the businesses of the said several constituent companies, for trade and commerce among the States and Territories of the United States, the District of Columbia, and with foreign nations, and in having the same transported outside of the States severally where such products were manufactured, or where the said mining was carried on, and into the several States and Territories of

the United States, the District of Columbia, and foreign nations, and in selling the same outside of the States where they were produced and in the several States and Territories of the United States, the District of Columbia, and foreign nations.

The corporation and the several companies combined under the first consolidation in 1901, their officers and agents, and the individual defendants, in what they did, as aforesaid, entered into an agreement or combination in restraint of trade and commerce
48 among the several States and with foreign nations within the meaning of section 1, and a combination to monopolize a part of the trade or commerce among the several States and with foreign nations, within the meaning of section 2 of the antitrust act, and the same is true in respect of the action of the corporation, of said individual defendants, and of the several companies herein named, in the acquisition of the control severally of the American Bridge Company, Lake Superior Consolidated Iron Mines, Shelby Steel Tube Company, Unoin Steel Company, the Troy Steel Products Company, the Clairton Steel Company, the Tennessee Coal, Iron and Railroad Company, and the iron ores of the Great Northern interests.

All the business of the corporation and its controlled companies is conducted without competition among them and as a part of a general plan and combination by which they have partially destroyed competition in trade and commerce among the States and with foreign nations, and have, by their strength, acquired a great and unwholesome influence over competitors, whereby they are brought into harmonious action with the corporation in restricting competition and in restraining such trade and commerce.

XI.

Pools and Agreement.

The corporation, through its holdings of stocks in the operating companies, controlled their acts and brought about the combined control of the market as completely as if it had been the direct legal owner of the properties and businesses of the controlled corporations.

Prior to 1900, following trade wars, makers of iron and steel products would come together and form an arrangement with each other whereby they would limit their percentages of output and fix upon and maintain prices. This was done by the makers of structural materials, of plates, of billets, of rails, of beams, of nails, etc.

Under some of these arrangements, if a maker exceeded the tonnage of his allotment he paid a penalty into the pool. The purpose and effect of this was to maintain prices. When these pools were not in operation there were competition and fluctuations in prices.

49 PLATE ASSOCIATION.

In the year 1900 prices of steel plate fell. There was sharp competition. The representatives of eleven steel-plate manufacturers, whose combined output exceeded 75 per cent. of the steel plate output of the United States, met to establish and maintain prices. On about November 1, 1900, they entered into a conspiracy, combination, or agreement for that purpose, and had prepared a contract to carry it out. It provided that all sales between parties to the agreement should be at pool prices fixed by them; that sales to the public should be apportioned between them by percentages; that no party could withdraw except under three-months' notice; that other firms and corporations might be admitted; and that minimum fixed rates should be maintained and should not be altered except by unanimous consent.

To insure performance a guarantee fund was paid in, subject to forfeiture or penalty by any party violating the agreement, in the discretion of the other members. A written instrument was prepared and signed by some of the parties. A copy of same is made part hereof as Exhibit A.

It appearing that this might be damaging evidence, an effort was made to suppress it, and so far as defendants knew all copies were gathered in and burned. Petitioner has not been able to obtain a copy of Agreement B, referred to in Exhibit A.

While the agreement shown in Exhibit A may not have been executed by all of the parties named in it, all of them operated under and carried into effect one substantially like it down to about the early part of 1905. They communicated with each other, met together, ususally once a month, and reached understandings as to their future action, by which they maintained prices and apportionment of sales.

Three of the constituent companies of the corporation were parties to the said agreement, viz: Carnegie Steel Company, Illinois Steel Company, and the American Steel & Wire Company. E. H. Gary, who took an active part in the organization of the corporation, and has always held office in it, being chairman of the executive committee from 1901 to 1903, and thereafter chairman of the board of directors, and since 1906 chairman of the finance committee, was, when said agreement was made, president of the Federal Steel Company. He had full knowledge of the formation of this combi-
50 nation, and of the participation in it by the said constituent companies after their absorption by the corporation. During the period from 1901 to 1905, the said makers restrained competition and trade and maintained prices at a higher level than had prevailed when competition existed.

While, since 1904, the said parties may not have acted under said agreement or any written agreement, nevertheless they and other makers of steel plates have continued to meet together from time to

time and to enter into understandings as to the maintenance by them of prices and the apportionment of sales, by which they have effectually restrained competition, maintained prices, and restrained trade and commerce between the States and with foreign countries in contravention of the antitrust act.

This result has come mainly from the cohesive power and overmastering influence exerted by the corporation.

STRUCTURAL STEEL ASSOCIATION.

On January 1, 1897, sharp competition then existing between them certain makers of structural steel in the United States entered into an agreement for the purpose of limiting sales and fixing and maintaining prices. A copy of said contract is made part hereof, as Exhibit B. It sets out the names of the contracting parties. Among them is the Carnegie Steel Co. (Ltd.), which was absorbed by the Carnegie Company, of New Jersey, which, as shown, entered, in 1901, into the combination designated herein as the corporation. This agreement was operated under until about the year 1905, in the same manner and with the same purpose and effect as has been previously alleged in respect of the plate association, both associations having had the same commissioner and having been conducted in exactly the same way and with the same results in respect to the maintenance of prices, suppression of competition, and restraint of trade.

While, since 1904, the same parties may not have acted under said agreement or any written agreement, nevertheless they and other makers of structural steel have continued to meet together from time to time, and to enter into understandings as to the maintenance by them of prices and the apportionment of sales, by which they have effectually restrained competition, maintained prices, and restrained trade and commerce between the States and with foreign countries,

in contravention of the antitrust act.

51 This result has come mainly from the cohesive power and overmastering influence exerted by the corporation.

THE STEEL-RAIL COMBINATION.

In November, 1897, there were approximately twenty-five mills in the United States making standard rails. From 1867 to the year 1900, inclusive, a period of thirty-four years, the prices of rails varied every year. In no two years in that period did the prices continue the same throughout said years. In 1897 and 1898 there was severe competition, and the prices fell from $28.00 per long ton in 1896, to which it had been put by a pool or combination, to $18.00 in 1897, and to $17.00 in 1898. Through combination by said makers the price went as high as $35.00 in 1899 and 1900. In the early part of 1901 it went as low as $26.00 per ton. In April, 1901, the corpora-

tion began operations. Of the said mills making standard steel rails, eleven came under the combination and control of the corporation and have so continued. In May, 1901, under the dominating influence and great power exercised over the industry by the corporation the price went to $28.00 per ton, and has been there maintained without the slightest variation, and regardless of the cost of production or demand for same, down to the present time, thus being held at a fixed price throughout a period of eleven years.

While no written agreement has come into the possession of petitioner, yet the facts are that throughout the period since 1901 the constituent companies of the corporation and the corporation itself have been parties to agreements or undertakings reached through meetings of makers of such rails (who naturally were, and, unrestrained by combination, would have been, competitors), by which competition and commerce and trade have been restrained and said prices have been thus maintained in contravention of the antitrust act. The greatest factor in producing this unlawful result has been the corporation.

THE WIRE-ROPE COMBINATION.

On the first day of January, 1908, the American Steel & Wire Company of New Jersey; Broderick & Bascome Rope Company, a corporation; Hazard Manufacturing Company, a corporation; A. Leschen & Sons Rope Company, a corporation; John A. Roeb-
52 ling's Sons Company, a corporation, and Trenton Iron Company, a corporation, all then being engaged in carrying on the business of manufacturing and dealing in wire rope, a useful article of merchandise, and selling same not only in the States where they were manufactured but in other States of the United States, and being engaged in trade and commerce in said wire rope among the several States of the United States and in foreign countries, and producing in the aggregate eighty per cent of the entire amount of wire rope consumed in the United States, and being, when unrestrained by self-imposed agreement between each other, competitors in such interstate business, trade, and commerce, entered into upon the said day and carried on an unlawful combination and conspiracy in restraint of said business, trade, and commerce, and since the said day continuously have, through such unlawful combination and conspiracy, wrongfully and unduly restrained the aforesaid interstate business, trade, and commerce from said date until and on the first day of January, 1909.

Under said unlawful combination and conspiracy the said parties sold the wire rope manufactured by them respectively at arbitrary, artificial, and noncompetitive prices, fixed, determined, and agreed upon by them from time to time, which prices were greatly in excess of those which would have been obtained but for such unlawful combination and conspiracy. The said parties under said unlawful combination and conspiracy limited the amount of wire rope to be

produced by each of them to a fixed and arbitrary percentage, to be determined and agreed upon from time to time, which would be different from the normal and natural amount thereof that they would each otherwise produce but for such unlawful combination and conspiracy. Under said agreement and combination they conducted their trade and commerce in said wire rope so as to destroy and prevent all competition between them and to injure the business, trade, and commerce in the United States in wire rope of all other than themselves engaged in such business. In furtherance of said combination and conspiracy they, on or about the first of January, 1908, entered into an association known as the "Wire Rope Manufacturers," under which they held regular meetings, at which each member of the association had a vote on all questions coming before the association. Under and by virtue of said agreement they
53 agreed upon and fixed an arbitrary rating for each of said corporations, which was established by determining the ratio of the output of the aforesaid merchandise, by each of said corporations, to the total output thereof by all of said corporations during an agreed period of time, which said ratios should be and were known and treated by said parties as allotments which were the percentage bases upon which said parties were required and compelled to conduct their said business, trade, and commerce.

They agreed upon a schedule of prices at which they should sell the wire rope thereafter to be produced by them, which prices should continue in force until changed by them.

The said American Steel & Wire Company is a subsidiary of the corporation and has at all times since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement and in its conduct in pursuance of same it acted under the authority and sanction of the corporation.

THE RUBBER-COVERED WIRE COMBINATION.

On the first day of June, 1908, the American Steel & Wire Company of New Jersey, the American Electrical Works, a corporation; Bishop Gutta Percha Company, a corporation; Crescent Belting and Packing Company, a corporation; Habirshaw Wire Company, a corporation; Hazard Manufacturing Company, a corporation, Indiana Rubber and Insulated Wire Company, a corporation; Marion Insulated Wire and Rubber Company, a corporation; National Indiana Rubber Company, a corporation; New York insulated Wire Company, a corporation; Phillips Insulated Wire Company, a corporation; John A. Roebling's Sons Company, a corporation; Safety Insulated Wire and Cable Company, a corporation; Simplex Electrical Company, a corporation; Standard Underground Cable Company, a corporation; General Electric Company, a corporation; being then engaged in carrying on the business of manufacturing and dealing in rubber-covered telephone and telegraph wires, useful articles of merchandise, and selling the same in the States where they

were manufactured and also in other States of the United States, and in shipping the same for the purposes of such sale from their respective factories into the different States of the United States, and producing in the aggregate not less than eighty per cent of the entire amount of rubber-covered telephone and telegraph wire con-
54 sumed in the United States, and being previous thereto and at that time, except when restrained by unlawful agreement, competitors of each other in said business, trade, and commerce, entered into an unlawful combination and conspiracy in restraint of trade and commerce in said article among the several States and continuously acted thereunder for a long period thereafter. By said agreement and combination they sold their several products of said wires in the several States of the United States at arbitrary, artificial, and noncompetitive prices, fixed and agreed upon by them from time to time, which were in excess of the prices which would have been demanded for such wire but for such unlawful combination and conspiracy.

By said combination they limited the amount of rubber-covered telephone and telegraph wires to be produced by each of them to a fixed and arbitrary percentage, to be determined and agreed upon by them from time to time, which would be different from the normal and natural amount thereof that they would each otherwise produce but for such unlawful combination and conspiracy. By said unlawful agreement and combination they conducted their respective business, trade, and commerce aforesaid so as to destroy and prevent all competition between themselves and to injure and destroy the business, trade, and commerce in the United States in rubber-covered telephone and telegraph wires of all other persons and corporations engaged in the manufacture and sale of same. In pursuance of said agreement, on the first day of June, 1908, they entered into a voluntary association, known as "The Rubber-Covered Wire Association," which said association was to continue until the first day of February, 1913, and which did continue until about the time that the said parties were indicted therefor, in June, 1911, in the United States Circuit Court for the Southern District of New York.

The said American Steel and Wire Company is a subsidiary of the corporation and has at all times, since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement and in its conduct in pursuance of same it acted under the authority and sanction of the corporation.

THE HORSESHOE MANUFACTURERS' COMBINATION.

On the first day of June, 1908, the American Steel and Wire Company of New Jersey; American Horseshoe Company, a
55 corporation; Bryden Horseshoe Company, a corporation; Old Dominion Iron and Nail Works, a corporation; Phoenix Horseshoe Company of Illinois, a corporation; Rhode Island-Perkins Horseshoe Company, a corporation; being engaged in the business

of manufacturing and dealing in horse and mule shoes, useful articles of merchandise, selling same in the States of the United States other than those where they were manufactured, and in shipping the same from their respective factories in the different States to other States and Territories of the United States, and producing in the aggregate seventy per cent. of the entire number of horse and mule shoes consumed in the United States, and being competitors in interstate business, trade, and commerce in said products when not restrained by unlawful combination among themselves, entered into an unlawful combination and conspiracy, wrongfully and unduly to restrain the aforesaid interstate business, trade, and commerce, and in pursuance of said combination, after said date down to about the 29th of June, 1911, continuously carried out said unlawful combination and conspiracy and restrained trade and commerce among the States in said products.

By said unlawful agreement they have sold horse and mule shoes manufactured by them, respectively, at arbitrary, artificial, and noncompetitive prices, fixed and determined by them from time to time, which were greatly in excess of those which would have been demanded but for such unlawful combination and conspiracy.

By said unlawful agreement they have limited the amount of horse and mule shoes to be produced by each of them to a fixed and arbitrary percentage to be determined and agreed upon by them from time to time, different from the normal and natural amount that they would respectively produce but for such unlawful combination and agreement.

By said unlawful agreement they conducted, respectively, their business, trade, and commerce, so as to destroy all competition between themselves in said business, trade, and commerce, and so as to injure and destroy the business, trade, and commerce in the United States in horse and mule shoes of all persons and corporations other than those with which said persons were connected as aforesaid.

56 On the said first day of June, 1908, said persons, in furtherance of and pursuant to said unlawful combination and conspiracy, by written articles of agreement, formed an association known as the "Horseshoe Manufacturers' Association."

The said American Steel and Wire Company is a subsidiary of the corporation and has at all times, since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement, and in its conduct in pursuance of same it acted under the authority and sanction of the corporation.

THE UNDERGROUND POWER CABLE COMBINATION.

On the first day of June, 1908, the American Steel & Wire Company, of New Jersey; National Conduit and Cable Company, a corporation; John A. Roebling's Sons Company, a corporation; and Standard Underground Cable Company, a corporation, then engaged severally in carrying on the business of manufacturing and dealing

in underground power cables, a useful article of merchandise, and manufacturing large quantities of same, and selling it not only in the States wherein they severally manufactured it but in the other States of the United States, and in shipping the same from their respective factories into the different States of the United States for the purposes of sale, and producing, in the aggregate, ninety-five per cent. of the entire amount of underground power cable consumed in the United States, and being competitors of each other in said business, trade, and commerce, except when restrained by unlawful combination, entered into and carried on continuously, until the first day of April, 1909, an unlawful combination and conspiracy in restraint of the said business, trade, and commerce in underground power cable among the States.

By said unlawful agreement they sold the said cable produced by them, respectively, at arbitrary, artificial, and noncompetitive prices, fixed by them from time to time, which were greatly in excess of the prices which would have been demanded but for such unlawful combination and conspiracy.

By said agreement they limited the amount of underground cable to be produced by them severally to a fixed and arbitrary percentage agreed upon by them from time to time, which was different from the amount thereof that they each otherwise would have produced but for such unlawful combination and conspiracy.

57 By said unlawful combination and conspiracy they so conducted their respective business, trade, and commerce aforesaid as to destroy and prevent all competition between themselves and to injure the business, trade, and commerce in the United States in underground power cable of all persons or corporations other than those with which they were connected.

On the first day of June, 1908, said corporations, in furtherance of and pursuant to said unlawful combination and conspiracy by written articles of agreement, formed and entered into a voluntary association, known as "The Underground Power Cable Association," which said association was to continue until the first day of May, 1911.

The said American Steel and Wire Company is a subsidiary of the corporation and has at all times since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement and in its conduct in pursuance of same, it acted under the authority and sanction of the corporation.

THE WEATHERPROOF AND MAGNET WIRE COMBINATION.

On the first day of June, 1908, the American Steel and Wire Company of New Jersey; the American Electrical Works, a corporation; the Ansonia Brass and Copper Company, a corporation; the Ansonia Electrical Company, a corporation; Benedict & Burnham Manufacturing Company, a corporation; the Hazard Manufactur-

ing Company, a corporation; Alfred F. Moore and Antoine Bournonville, partners doing business under the name of Alfred F. Moore; the National Conduit and Cable Company, a corporation; the Phillips Insulated Wire Company, a corporation; John A. Roebling's Sons Company, a corporation; the Standard Underground Cable Company, a corporation; engaged severally in carrying on the business of manufacturing and dealing in weatherproof and magnet wires, useful articles of merchandise, and selling same in the several States other than where they were manufactured and in shipping same from their said factories into the several States and Territories of the United States other than those wherein they were manufactured, and producing in the aggregate ninety per cent of the entire amount of weatherproof and magnet wires consumed in the United States, and being competitors in said interstate business, trade, and commerce with each other, except when restrained by unlaw-
58 ful combination, entered into an unlawful combination and conspiracy to wrongfully and unduly restrain the aforesaid interstate business, trade, and commerce, so then and since then carried on and conducted by the aforesaid corporations and copartnership; and from said first day of June, 1908, and continuously and at all times from said date until and on the twentieth day of November, 1908, all of said parties were knowingly and willfully engaged in said unlawful combination and conspiracy and in furtherance of its unlawful objects for the purposes aforesaid, in restraint of said business, trade, and commerce in weatherproof and magnet wires. By said agreement said parties sold the weatherproof and magnet wires produced by them respectively at arbitrary, artificial, and noncompetitive prices, fixed and agreed upon by them from time to time, in excess of what would have been demanded but for such unlawful combination and conspiracy.

By said unlawful combination said parties limited the amount of such wires to be produced by them severally to a fixed and arbitrary percentage determined and agreed upon by them from time to time, which was different from the amounts that they otherwise respectively would have produced but for such unlawful combination and conspiracy.

By said combination and conspiracy they conducted their respective business, trade, and commerce aforesaid so as to destroy and prevent all competition between themselves and so as to injure and destroy the business, trade, and commerce in the United States in weatherproof and magnet wires of all persons or corporations other than those with which they were connected.

On the first day of June, 1908, they, in furtherance of and pursuant to the aforesaid unlawful combination and conspiracy, by written articles of agreement, formed and entered into an association known as "The Weatherproof and Magnet Wire Association," which was to continue until the first day of May, nineteen hundred and eleven.

The said American Steel and Wire Company is a subsidiary of the corporation, and has at all times since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement and in its conduct in pursuance of same, it acted under the authority and sanction of the corporation.

Petitioner further alleges that previous to the agreement aforesaid the said American Steel and Wire Company of New
59 Jersey entered into other similar agreements from time to time with concerns that were its competitors, which agreements were for the same purpose and effect as the said agreement of 1908, were carried out substantially in the same way and with the same effect, and that this was done with the consent of the corporation.

THE LEAD-ENCASED RUBBER CABLE COMBINATION.

On the first day of June, 1908, the American Steel and Wire Company of New Jersey; Habirshaw Wire Company, a corporation; John A. Roebling's Sons Company, a corporation; Safety Insulated Wire and Cable Company, a corporation; Simplex Electrical Company, a corporation; Standard Underground Cable Company, a corporation, then engaged in carrying on the business of manufacturing and dealing in lead-encased rubber-insulated cable, a useful article of merchandise, and selling same in the several States of the United States other than those wherein their respective factories are situated, and shipping same from their respective factories to States and Territories other than those wherein said factories were located, and producing, in the aggregate, eighty per cent of the entire amount of said cable consumed in the United States, and being competitors in said business, except when restrained by unlawful combination and conspiracy entered into by them, entered into an unlawful combination and conspiracy, wrongfully and unduly to restrain the aforesaid interstate business, trade, and commerce so then and since then carried on and conducted by them, and from said first day of June, 1908, and continuously and at all times from said date until the tenth day of January, 1910, all of said parties engaged in said unlawful combination and conspiracy in restraint of the said trade and commerce in said cable.

By said combination and agreement they sold the said cable produced by them, respectively, at arbitrary, artificial, and noncompetitive prices, fixed, determined, and agreed upon by them, which were greatly in excess of those which would have been demanded but for such unlawful combination and conspiracy.

By said combination they limited the amount of such cable to be produced by them, respectively, to a fixed and arbitrary percentage agreed upon by them, which was different from the amount that they otherwise would have respectively produced but for such unlawful combination and conspiracy.

60 By said combination and conspiracy they so conducted their respective business, trade, and commerce aforesaid as to destroy all competition between themselves and to injure and destroy the business, trade, and commerce in the United States in said cable of all persons or corporations other than those with which they were connected.

On the said first day of June, 1908, said parties, in furtherance of and pursuant to the aforesaid unlawful combination and conspiracy, by written articles of agreement, formed and entered into a voluntary association known as "The Lead Encased Rubber Insulated Cable Association," which was to continue until the first day of January, 1911.

The said American Steel and Wire Company is a subsidiary of the corporation, and has at all times since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement, and in its conduct in pursuance of same, it acted under the authority and sanction of the corporation.

THE BARE COPPER WIRE COMBINATION.

On the first day of June, 1908, the American Steel and Wire Company of New Jersey; American Electrical Works, a corporation; Ansonia Brass and Copper Company, a corporation; Benedict & Burnham Manufacturing Company, a corporation; Coe Brass Manufacturing Company, a corporation; National Conduit & Cable Company, a corporation; John A. Roebling Sons Company, a corporation; and Standard Underground Cable Company, a corporation, then engaged in carrying on the business of manufacturing and dealing in bare copper wire, a useful article of merchandise, and selling same in the several States of the United States other than those wherein their respective factories are situated, and shipping same from their respective factories to States and Territories other than those wherein said factories are located, and producing in the aggregate ninety-five per cent of the entire amount of bare copper wire consumed in the United States, and being competitors in said business, except when restrained by unlawful combination and conspiracy entered into by them, entered into an unlawful combination and conspiracy wrongfully and unduly to restrain the aforesaid interstate business, trade, and commerce, so then and since then carried on and conducted by them, and from said first day of June, 1908,
61 and continuously and at all times from said date until the twenty-second day of November, 1909, all the said parties engaged in said unlawful combination and conspiracy in restraint of the said trade and commerce in said bare copper wire.

By said combination and agreement they sold the said bare copper wire produced by them, respectively, at arbitrary, artificial, and noncompetitive prices, fixed, determined, and agreed upon by them, which were greatly in excess of those which would have been demanded but for such unlawful combination and conspiracy.

By said combination they limited the amount of such copper wire to be produced by them, respectively, to a fixed and arbitrary percentage, agreed upon by them, which was different from the amount that they otherwise would have respectively produced but for such unlawful combination and conspiracy.

By said combination and conspiracy they so conducted their respective business, trade, and commerce aforesaid as to destroy all competition between themselves and to injure and destroy the business, trade, and commerce in the United States in said copper wire of all persons or corporations other than those with which they were connected.

On the first day of June, 1908, said parties, in furtherance of and pursuant to the aforesaid unlawful combination and conspiracy, by written articles of agreement, formed and entered into a voluntary association known as "The Bare Copper Wire Association," which was to continue until the first day of May, 1911.

The said American Steel and Wire Company is a subsidiary of the corporation, and has at all times since about April 1, 1901, been controlled by it, and in entering into said unlawful combination and agreement, and in its conduct in pursuance of same, it acted under the authority and sanction of the corporation.

Petitioner further alleges that, previous to the agreement aforesaid, the said American Steel and Wire Company of New Jersey entered into other similar agreements from time to time with concerns that were its competitors, which agreements were for the same purpose and effect as the said agreement of 1908, were carried out substantially in the same way and with the same effect, and that this was done with the consent of the corporation.

62 OTHER POOLS AND AGREEMENTS.

In addition to said pools and agreements specifically referred to, other constituent companies of the corporation, engaged in making and selling other lines of products, and the corporation have, since 1901, from time to time, entered into pools and agreements with concerns which were their competitors, by which they have suppressed competition, agreed upon and maintained prices, and restrained commerce and trade among the States and with foreign countries.

XII.

INTERLOCKING DIRECTORATES.

In addition to pools, a more euphonious, refined, but none the less effective, method came into vogue. Conditions had so changed as to make the way for this new procedure easy. When the iron and steel products were made by independent concerns, which, in their desire for business, broke out from time to time in sharp competition, the only method of restraint was an agreement or pool, and this was not

always effective, for they frequently played false to such combinations. Under the policy of the corporation there grew up a community of interest and a power to influence action to a common purpose, never exceeded in the commercial history of the world. There came into existence a system of interlacing of directorates which embraced almost the entire commercial and financial powers of the country. Appended as Exhibit C is a list of the officers and directors of the corporation, and also a list of the various companies with which they severally were connected, as of the year 1910. This shows the status substantially as it had been for preceding years and as it is at the present time. It has been a constantly growing system since the creation of the corporation, and therefore the personnel and alliances vary for the several years since 1901, but the system and the power achieved by it have been practically the same from 1901 down to the present time.

George F. Baker was a director in fifty-six other companies, among them being trust companies, seven banks, eighteen railroad companies, the Pullman Company, and the International Harvester Company.

Edmund C. Converse was a director in twenty-eight other companies, among them being banks, trust companies, railroad
63 companies, and other concerns, which are large consumers of iron and steel. He was a director in the Sheffield Coal & Iron Company, which operates in the Birmingham district, and is a natural competitor of the corporation.

William E. Corey was a director in thirty-two other companies, most of them constituent companies of the corporation.

John F. Dryden was a director in three large trust companies and two banks.

Henry C. Frick was a director in the Chicago & Northwestern Railway Co., the Pennsylvania R. R. Co., Philadelphia & Reading Railway Co., and the Union Pacific Railroad Co. The Pennsylvania Railroad Co. dominates the Cambria Steel Co., and the Pennsylvania Steel Co. naturally competitors of the corporation, but which have, under the operation of this new system coöperated with it.

Elbert H. Gary, besides being a director in the constituent companies of the corporation, was a director of several railroad companies and the International Harvester Company. He was also a director in six important banks and trust companies.

William H. Moore was a director in several large railroad companies.

J. P. Morgan was a director in fifty-one other companies. This includes many railroads and other companies, such as the Pullman Company and the Western Union Telegraph Company.

George W. Perkins was a director of several banks, trust companies, and railroad companies, and of the International Harvester Company.

Norman B. Ream was a director of a number of large railroad companies, the Pullman Company, the International Harvester Company, and several banks and trust companies.

John D. Rockefeller, jr., was a director of the Delaware, Lackawanna & Western R. R. Co. and of the Standard Oil Co.

Charles Steele was a director of a number of large railroad companies and the International Harvester Co.

Henry Walters was a director in several large railroad companies and in the Western Union Telegraph Co. He was also director of the Lackawanna Steel Co., naturally a competitor of the corporation, but which has acted in harmony with it under the new system.

64 All of the said railroad companies, the Pullman Company, the International Harvester Company, and the Western Union Telegraph Company, are heavy consumers of iron and steel.

Through its directors thus distributed the corporation is in direct touch with all of the large railroad and steamship companies of the United States, such powerful concerns as the Standard Oil Company, the Pullman Company, the International Harvester Co., and the Western Union Telegraph Co., and with the overwhelming majority in money and power of the banks and trust companies of the United States. The possibilities of the power and control that may thus be exerted over trade and commerce is inestimable. The power and control that have been exerted by the corporation, largely through the grasp of its tentacles thus thrown out upon the consumer, competitors, and capital, is incompatible with the healthy commercial life of the Nation.

XIII.

Combinations Other than Written Pools or Agreements.

Under the auspices of the corporation, these interests, naturally competitive, but harmonized by this network of correlations, and overshadowed and dominated by the power of the corporation, arising from its preeminence in the business and the irresistible strength of its alliances, come together, from time to time, find out the views of the corporation in respect of pri[illegible] and output, and all that hitherto was affected by pools and formal agreements, reach a common understanding and purpose, and proceed to carry them out. It is not here alleged that merely assembling and mutually exchanging information and declaration of purpose amounts to an agreement or combination in restraint of trade. These meetings and their results have gone further. What they actually accomplished shows the great and dangerous power achieved by the corporation through unlawful combination exercised over the trade and commerce of the country. The concerted action taken has prevented fluctuations in prices and competition.

At the meetings have been represented, of the iron and steel trade in the United States, fully ninety per cent of the total. In no line of business in the world at any time has there been such

65 a large percentage of those engaged in a business as the percentage of those in this country who at these meetings go along

day by day, hand in hand, pursuing the same course. At the time of one of these meetings, held in New York January 11, 1911, there was not in this country a demand for more than fifty per cent of the total producing capacity in the lines of those there represented, and there was not enough business to go around, and there was no possible way of protecting themselves from competition except by coming to an understanding that each would be satisfied with a proportion of the business, which was understood by all, and this understanding was carried out and no one of them competed for the recognized business of the others.

These meetings accomplished more than did the old pools and agreements, which were frequently broken.

It was understood and agreed that they were bound to protect one another; that to carry out this purpose their honor was at stake, and that the obligation binding on them was even dearer than life itself, and that no one of them should act or fail to act except with a distinct and clear understanding that his honor was involved, and that this was more binding on him than any written or verbal contract.

When bidden by the chief executive of the corporation, they came at any time, from any distance, ready, willing, and anxious to turn over to him and to his friends all that was in their minds and in their hearts concerning their own business.

When they met, the chief executive of the corporation admonished them that no one of them should forget the high moral obligation he was under toward his neighbor, and that it was of the highest importance at that particular time that every one of them should have a keen and abiding sense of the personal obligation which he had toward all the others, and to make no mistake of running the risk of trespassing within the domain of the rights of his neighbor who had given his confidence and trust, and who was willing at all times to put within the knowledge, and therefore more or less under the charge and control of the others, the very direction of his affairs.

By these meetings and interchange of information and understanding each became in honor bound not to get the trade of the other, and each by the concerted action acquired participation in the direction of the affairs of the other.

66 The main purpose of the meeting of January 11, 1911, was the question of maintaining or changing the prices of the commodities in which they dealt. A majority came to a consensus which was accepted and followed by all.

At these meetings they not only exchanged information but advocated control of prices, and reached a common understanding, which was followed, under solemn admonition that they were bound by an obligation more estimable than life.

These meetings brought about the maintenance of prices.

It was understood by them that they were travelling together and that they were going to stand together.

They understood and acted upon the understanding that a statement as to what one would do as to prices or output was a promise and a pledge upon honor to the others.

At the meeting of January 11, 1911, and at the other meetings, there was a general expression of opinion that prices should be maintained, and in pursuance of this understanding and agreement they were maintained.

When an understanding was reached, individual declarations were made of intention to follow the movement.

It was recognized that they followed the policy laid out for them by the head of the corporation.

This meeting of January 11, 1911, was attended by about eighty representatives of iron and steel concerns, being a large majority in number and output of such concerns in the United States. They understood that the purpose was to consider the prices of iron and steel, that the consensus of opinion was that the prices should not be lowered, but that they should be maintained, and that by virtue of what occurred they were in honor bound to each other to maintain them. In fact, they, in pursuance of this action, did maintain them.

By the aforesaid pools, agreements, meetings, and acts the corporation, the said several companies and individual defendants, in addition to the several unlawful agreements and combinations by which all of the companies and properties aforesaid were brought under one control, have combined or conspired in restraint of trade and commerce among the several States and with foreign nations within the meaning of section 1, and to monopolize a part of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the antitrust act.

67 PRAYER.

In consideration whereof, and inasmuch as adequate remedy in the premises can only be obtained in a court of equity, the United States of America prays your honors:

(1) To order, adjudge, and decree that the combinations and conspiracies and monopolizations of trade and commerce hereinbefore described are unlawful, and that all acts done or to be done to carry out the same, or any part thereof, are in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

(2) That the defendants and each and every one of them, and the officers, directors, stockholders, and agents of the defendant corporations and of each and every one of them, be perpetually enjoined from doing any act in pursuance of or for the purpose of carrying out the same.

(3) That the United States Steel Corporation, in and of itself, as well as each and all of the elements composing it, whether separate or individual, whether considered collectively or separately,

be decreed to be illegal and in restraint of trade, and an attempt to monopolize and a monopolization within the first and second sections of said act of Congress of July 2, 1890, and that it be dissolved.

(4) That each and all of the said constituent or subordinate companies shown, as aforesaid, to have been combined in restraint of trade and commerce and in monopolization of trade or commerce within the meaning of the antitrust act, each in and of itself, as well as each and all the elements composing each, respectively, whether considered collectively or separately, be decreed to be illegal, in restraint of trade, and an attempt to monopolize and a monopolization within the first and second sections of said act, and that each be dissolved.

(5) That the holding of stock by any one of the defendant corporations in another of the defendant corporations under the circumstances shown, be declared illegal, and that each of them be enjoined from continuing to hold or own such shares and from exercising any right in connection therewith.

(6) That the said several defendant corporations, shown as aforesaid to be constituents or subsidiaries of the United States
68 Steel Corporation, be enjoined and prohibited from declaring or paying any dividends to the said United States Steel Corporation or to any person or corporation for its use.

(7) That it be decreed that the several individual defendants combined each with other persons and corporations to restrain trade and commerce and to attempt to monopolize and in monopolizing within the first and second sections of said act and that each of them be enjoined from continuing to carry out the purposes of any of the above-described combinations and conspiracies and attempts to restrain commerce and trade, or to monopolize any part of commerce and trade among the States and with foreign nations.

(8) That such orders and decress be made in respect of the stock issued under the several combinations aforesaid as shall be in accordance with equity and good conscience, and that such disposition be made of the said various properties as shall effectuate the purposes of the said antitrust act.

(9) That the said lease entered into, as aforesaid, by the Great Northern interests and the Great Western Mining Company be decreed to be illegal, in restraint of trade and commerce, an attempt to monopolize, and a monopolization within the first and second sections of said act, and that the same be now cancelled.

(10) The United States also prays for such other and further relief as the nature of the case may require and the court may deem proper in the premises.

To the end, therefore, that the United States of America may obtain the relief to which it is justly entitled in the premises, may it please your honors to grant to it writs of subpœna directed to the said defendants, United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel

Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, Clairton Steel Company, H. C. Frick Coke Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company, Limited, Wright Land Company, Limited, Davis Land Company, Limited, Wells Land Company, Lim-
69 ited; Stone Land Company, Limited; Wabigon Iron Company, Minesin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees, J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, C. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer, and each and every one of them, commanding them and each of them to appear herein and answer, but not under oath (answer under oath being hereby expressly waived), the allegations contained in the foregoing petition and abide by and perform such order and decree as the court may make in the premises, and upon hearing hereof to permanently enjoin said defendants as hereinbefore prayed, and pending a final hearing of this case cause a temporary restraining order to issue enjoining the defendants, and each of them, and each of their officers, agents, and servants, as hereinbefore prayed.

JOHN B. VREELAND,
District Attorney of the United States
for the District of New Jersey.
GEORGE W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
Special Assistant to the Attorney
General of the United States.

70

Exhibit A.

AGREEMENT "A."

This agreement, made and entered into this ninth day of November, 1900, by and between:

Carnegie Steel Company.
Jones & Laughlins, Limited.
Illinois Steel Company.
Crucible Steel Company.
Otis Steel Company.
Tidewater Steel Company.
Lukens Iron & Steel Company.
Worth Bros. Company.
Central Iron & Steel Company.
The American Steel & Wire Company.
The Glasgow Iron Company.

Witnesseth: That the above said parties have mutually agreed to and with each other to form an association for mutual interests and to enable them to pay liberal wages to their workmen, to be known as The Steel Plate Association of the United States.

First. Each of the parties above named, being manufacturers and sellers of steel plates, shall by reason of such manufacture and sale be entitled to membership in this association, and each of the parties hereto shall be entitled to portion of all shipments in the following proportions:

Carnegie Steel Company	46.25
Jones & Laughlins	4.75
Illinois Steel Company, Limited	11.00
Crucible Steel Company of America	4.50
Otis Steel Company	2.50
Tidewater Steel Company	3.00
Lukens Iron & Steel Company	7.50
Worth Bros. Company	7.00
Central Iron & Steel Company	8.00
American Steel & Wire Company	5.50

Glasgow Iron Company, to the extent of sales and output up to 40,000 tons, should they be able to accomplish them, prior to December 31st, 1901.

Second. The officers of this association shall be as follows: A president, a treasurer, a commissioner, and an executive committee consisting of six members, including the president. The conclusions of all the executive committee meetings shall be at once communicated to all members of this association.

Third. Each member of this association shall, on or before the tenth day of December, 1900, and on or before the tenth day
71 of every month thereafter during the term of this agreement, or any extension thereof, render to the commissioner of this

association a statement, which statement shall be sworn to, or affirmed to, by one of the principal executive officers of the member so making the report, or in case the member so making the report is a copartnership, then in that case the report shall be sworn to, or affirmed to, by one of the firm holding membership in this association, which oath or affirmation shall be to the effect that the report so made is a true and correct report of all the material described in the first clause of this agreement which was shipped by the member making the report during the month for which the report is made; the form of the report and oath of affirmation as to its correctness shall be furnished by the commissioner and shall include a statement of the rolling production for each month; and upon the commissioner receiving from the respective members their reports, as aforesaid, he, the commissioner, shall render to each member monthly, as soon as possible after the receipt of all the statements of all the members, copies of statements last rendered by each member, and shall forthwith "state an account" charging each member who has shipped during the month more than its or their percentage of the total amount shipped by all the members of the association the sum of thirty-five hundredths of a cent (35c.) per pound on each and every pound of such excess, and crediting each member who has not shipped its or their percentage of the total amount shipped by all members of the association with the sum of thirty-five hundredths of a cent (35c.) per pound on each and every pound with which it or they fail to ship during the month for which the reports are made, as aforesaid, and, as a basis of calculation making such "statement of account," the commissioner shall use the table of percentages as set forth in the first clause of this agreement; and upon the statement of any such account by the commissioner he shall immediately mail a copy thereof to each member of this association, and within five days after the receipt of any account by the member of this association, which account shall show that the member receiving the same is indebted to the association, the member so receiving its or their account showing its or their indebtedness shall forward to the treasurer a check or sight draft, drawn to the order of T. Mellon & Sons, in payment of such indebtedness, which check or sight draft the treasurer shall deposit in the said Mellon & Sons' Bank, Pittsburg, Pa., to the credit of this association, and to remain to the credit of the member paying on excess of shipments and being increased or diminished as each month's business shows. It shall be the right and privilege of each member who shall not have shipped his full percentage to call, through the commissioner, on members who have made an excess to transfer to the short member a sufficient amount of tonnage, or otherwise enable him to fill up his order book. It being the intent of this agreement that
72 each member shall ship his entire percentage, and at the end of each year it shall be the duty of the commissioner to so arrange between the members as to have the pool balanced; but any member unable at the end of each year to produce his allotment,

after first deducting his exempted tonnage, which shall be divided among other members of the pool in proportion to their respective tonnage allotments.

Fourth. To insure the rendering of the statements and the faithful adherence of each party to the terms of this agreement, a guarantee fund of $100,000 shall be formed by the payment on or before December 3rd, 1900, of $1,000 for each per cent of allotment, as provided for in the first clause of this agreement to the treasurer, which fund shall be deposited or invested as directed by the executive committee in trust for the members, in the same proportion as received. Subject, however, to such forfeiture or penalty as may be declared by a vote of the remainder of the members against any member violating the terms of this agreement, as hereinafter provided.

Fifth. Whereas it has been agreed by and between all the members of this association to exempt certain tonnage to cover orders already taken, it is agreed that such exemption shall be as follows:

Carnegie Steel Company	140,000 tons.
Jones & Laughlin, Limited	9,400 "
Illinois Steel Company	15,394 "
Crucible Steel Company of America	2,687 "
Otis Steel Company	1,740 "
Tidewater Steel Company	2,520 "
Lukins Iron & Steel Company	5,778 "
Worth Brothers Company	3,863 "
The American Steel & Wire Company	15,116 "
Glasgow Iron Company	7,965 "

It is understood that those who hold exemptions under this agreement are to proportion the shipments applying to them in monthly allotments, between the date of this agreement and January 1st, 1902, and such shipments shall not be subject to the pool assessment.

Sixth. It is required that all plates shipped into the States bordering on the Pacific coast, and to be actually used in the territory into which it is shipped, and also all plates actually exported for use outside the limits of the United States, be reported to the commissioner, together with bills of lading or other evidence of exportation, for actual use abroad, satisfactory to him (said evidence to be confidential and not to be circulated among the members). Such tonnage will be deducted from the member's report, and the agreed pool tax charged on the balance.

Seventh. Upon receiving the written request of two members of the association, stating the object, the commissioner shall, upon the approval of the executive committee, call a meeting of the
73 parties to this agreement, to be held from five days from date of his receiving such written request.

Eighth. If at any time any of the parties hereto shall have reason to suppose that any other party or parties to the agreement have violated any of the provisions of this agreement, the said party so supposing the agreement has been violated shall file with the com-

missioner of the association a bill of complaint against the party or parties so suspected of such violation, which bill of complaint shall fully set forth the act or acts complained of, together with all the matters or things connected therewith; the said bill of complaint shall be in writing and shall furnish all the evidence that can be submitted in connection with the alleged violation, and upon receipt by the commissioner of any and all bills of complaint, as aforesaid, he shall forthwith use his best offices to have the accuser and accused arrive at an amicable settlement, failing in which he shall then submit all the information he may have to the executive committee for action; if the said executive committee shall determine that the charges have been sustained they, the executive committee, shall impose a penalty of not less than one thousand dollars, nor more than the amount standing to the credit of the member so punished in the guarantee fund at the time the fine is imposed upon the party so adjudged as having violated the agreement, but if the executive committee shall determine that the charges have not been sustained, they shall dismiss the complaint from further consideration by them. It is further understood and agreed that no member of the executive committee shall act upon any bill of complaint made by or made against the member of the association which he represents nor shall any representative of a member of the association vote upon any bill of complaint brought by or brought against the member of the association he represents. Any penalty imposed by the executive committee will be collected by the treasurer, deducting the amount therefrom the deposit made by the member against whom the penalty is imposed to the guarantee fund, as provided for in clause fourth of this agreement, within two weeks after such penalty is thus imposed the sum thereof shall be transferred pro rata as per allotments to the accounts of the members of the association excluding the member against whom the penalty is imposed, by the treasurer of the association, in which case the member so punished shall immediately remit an amount sufficient to make good the sum taken from the guarantee fund.

In case the offending member shall appeal to the association and the action of the executive committee shall not be sustained by a majority vote of the members of the said association, then the fine imposed shall be remitted, and any sum that the member may have paid into the association by reason of this shall be returned.

74 Ninth. No consideration, in the nature of brokerage or commission, shall be paid to anyone on sales of plates on or after January 1st, 1901.

All sales between parties to this agreement shall be at pool prices, as provided in agreement "B," and all shipments shall be reported by the manufacturer, on which the pool tax will be charged the same as to outside parties, the purchaser also to report shipments of all such materials so bought, for which they shall claim and receive credit.

Tenth. At any meeting of the members of this association, called by the commissioner as herein provided, any party or parties may give three-months' notice of withdrawal herefrom, but no such notice shall take effect prior to January 1st, 1902. Statements shall continue to be rendered of all plates shipped up to date of such withdrawal, the pool assessment to be charged thereon.

Eleventh. In case other firms or corporations are admitted as partners to this agreement the percentage of the pool allotted to each shall be deducted pro rata from the percentages of the members immediately prior to the time of its admission; and in case any of the parties hereto or any of the parties hereafter admitted shall withdraw, the percentage of the pool allotted to such withdrawing party or parties shall be added pro rata to the percentages of the parties remaining. In such case the commissioner shall compute and report the new postages to the nearest one-hundredth of one per cent, which degree of accuracy shall be deemed sufficient.

Twelfth. The agreement herein made of percentages, the amount of the guarantee fund as herein provided, and the agreement to maintain minimum fixed rates as covered in agreement "B," shall not be altered, amended, or changed in any respect, except by the unanimous consent of all parties to this agreement.

Thirteenth. To provide for the prompt payment of all salaries, rents, and other expenses a general expense fund shall be called in as needed by the treasurer in proportion to the percentage allotted each member of the association.

Fourteenth. No matter of account or understanding outside of this agreement shall affect the settlements herein provided for, either as an offset or otherwise, nor shall any written or unwritten agreement of the parties hereto or any of them establish and maintain uniformity prices, or controversy arising out of any such agreement, or any failure to carry out any of its provisions or to maintain prices affect in any way the rendering of the statements and the making of the settlements herein required.

Fifteenth. Whenever this agreement shall have been terminated the balance of the deposit, with accumulated interest, remaining in the hands of the treasurer to the credit of each party, after
75 provision shall have been made for the payment of all expenses, shall be returned to it, provided it shall have rendered all the statements required from it under this agreement, and have paid all its debtor balances. In case any party hereto shall not have fulfilled its money obligations under this agreement the amount it has on deposit in the guarantee fund shall be applied towards the fulfillment of those obligations, and the excess, if any, returned to it. But in case any party shall not have fulfilled its agreement the amount it has on deposit on the guarantee fund or the excess thereof, as above stated, shall be divided among the parties who shall have fulfilled their obligations under this agreement in the proportion of their respective percentages.

Sixteenth. For all purposes of this contract, a ton shall be taken and held as two thousand pounds (2,000).

In witness whereof the above parties have signed this agreement the day and year first above written.

76 *Exhibit B.*

AGREEMENT "A."

This agreement, made and entered into this 1st day of January, 1897, by and between the Passaic Rolling Mill Co., Pottsville Iron & Steel Co., A. & P. Roberts Co., Cambria Iron Co., Phoenix Iron Co., New Jersey Steel & Iron Co., Universal Construction Co., the Carnegie Steel Co. (Ltd.), Cleveland Rolling Mill Co., Jones & Laughlin Steel Co. (Ltd.).

Witnesseth that the above said parties have mutually agreed to and with each other to form an association to be known as the Structural Steel Association of the United States.

First. Each of the above parties named, being manufacturers and sellers of steel I beams and channels of sizes not less than 3 inches in depth, shall, by reason of such manufacture and sale, be entitled to membership in this association, and each of the parties hereto shall be entitled to such portion of all sales by parties hereto of I beams and channels of sizes not less than 3 inches in depth (except I beams and channels for use in car construction and deck or bulb beams) as is allot'ed to it under the following table:

	Per cent
The Carnegie Steel Co. (Ltd.)	19½
Jones & Laughlin (Ltd.)	12½
A. & P. Roberts Co	11½
Passaic Rolling Mill Co	6
Phoenix Iron Co	5
Cambria Iron Co	5
Universal Construction Co	4¼
Pottsville Iron & Steel Co	3
Cleveland Rolling Mill Co	3
	100

It being understood that members of this association having bridge works wherein beams and channels, as covered by this agreement, are consumed shall report to this association all shipments to such departments and pay the agreed pool tax as hereinafter provided on shipments so made (except such as are used in the construction of buildings for their own respective works, which tonnage shall be reported and credit given therefor).

Second. The officers of this association shall be as follows: A president, a treasurer, a commissioner, and an executive committee,
77 consisting of three members (the president being a member of the executive committee ex officio).

Third. Each member of this association (the New Jersey Steel & Iron Co. excepted), shall, on or before the 10th day of February, 1897, and on and before the 10th day of each and every month thereafter, during the terms of this agreement, or any extension thereof, render to the commission of this association, a statement, which statement shall be sworn to or affirmed to by one of the principal executive officers of the member so making the report, or in case the member so making the report is a copartnership, then, in that case, the report shall be sworn to or affirmed to by one of the firm holding membership in this association, which oath or affirmation shall be to the effect that the report so made is a true and correct report of all the material described in the first clause of this agreement which was shipped by the member making the report during the month for which the report is made; the form of the report and oath or affirmation as to its correctness shall be furnished by the commissioner. And upon the commissioner's receiving from the respective members their reports as aforesaid, he, the commissioner, shall render to each member monthly, as soon as possible after the receipt of all the statements of all the members, copies of statements last rendered by each member, and shall forthwith "state an account," charging each member who has shipped during the month more than its or their percentage of the total amount shipped by all the members of the association the sum of five-tenths cents per pound on each and every pound of such excess and crediting each member who has not shipped its or their percentage of the total amount shipped by all the members of the association with the sum of five-tenths cents per pound on each and every pound which it or they fail to ship during the month for which the reports are made as aforesaid, and as a basis of calculation is making such "statement of account" the commissioner shall use the table of percentages as set forth in the first clause of this agreement.

And upon the statement of such account by the commissioner he shall immediately mail a copy thereof to each member of this association, and within five days after the receipt of any account by the member of this association, which account shall show that the member receiving the same is indebted to the association, the member so receiving its or their account showing its or their indebtedness shall forward to the treasurer a check or sight draft drawn to the order of T. Mellon & Sons, in payment of such indebtedness, which check or sight draft the treasurer shall deposit in the said T. Mellon & Sons' bank to the credit of this association, and immediately upon the treasurer receiving from the members all their respective remittances, in payment of their indebtedness to the association for any month, he, the treasurer, shall notify their respective
78 members whom the aforesaid "account stated" shall show to be creditors of the association for any month, to draw on him (the treasurer) for the amount due to them as shown by said "account stated," and upon receipt of their several drafts so made the

treasurer shall accept the same payment at T. Mellon & Sons', and charge the amounts thereof to the fund created by the payments made by the members who shipped in excess of their proportion during the month for which the "account stated" was made, thus closing that account each month.

Fourth. To insure the rendering of the statements and the settlement of the balances due between the members of this association at the time required by the provisions of this agreement each member (the New Jersey Steel & Iron Co. excepted) shall, immediately after the signing of this agreement, remit to the treasurer its or their check or sight draft for the sum of $2,500, and shall on or before the 10th day of each month thereafter remit its or their check or sight draft for $500; the said checks or sight drafts shall be made in favor of T. Mellon & Sons, who shall become the depository of all the proceeds of such checks or sight drafts, which shall form a guaranty fund to be held by said T. Mellon & Sons during the continuance of this agreement or any extension thereof, and disposed of finally as hereinafter provided.

It being understood that when the said guaranty fund reaches the sum total of $45,000 that the payments toward said fund shall thereupon cease.

Fifth. Whereas it has been agreed by and between the several other members and the New Jersey Steel & Iron Co. that the works of the said New Jersey Steel & Iron Co. shall remain inoperative in the manufacture of I beams and channels of sizes coming under the provision of and during the life of this agreement, in consideration of which the New Jersey Iron and Steel Co. shall receive from this association the sum of $5,000 per month. Said sum of $5,000 to be paid by the several other members in proportion to their allotments as shown by the table in the first clause of this agreement. On the tenth day of each month the treasurer shall draw at sight on the respective parties to this agreement for the proportionate amount of the indebtedness, and when all such drafts shall have been paid, he shall immediately notify the New Jersey Steel & Iron Co. to draw upon him at sight for the sum of $5,000, thus closing this account each month. In case any draft which the treasurer shall make, as in this clause provided, shall not be promptly paid, the amount of such draft shall be taken from the deposition the guarantee fund of the party failing to pay such draft, and payment made to the New Jersey Steel & Iron Co. the same as if all such drafts of the treasurer has been paid, and such party shall immediately remit to the treasurer an amount sufficient to make good the sum so taken from the guarantee fund.

79 Sixth. Whereas it has been agreed by and between all the members of this association (the New Jersey Steel & Iron Co. excepted) to exempt all members except the Phoenix Iron Co., to the extent of 5 per cent of 300,000 tons, in the proportions expressed in the table of allotments contained in clause 1 of this agreement: the aforesaid Phoenix Iron Co. to be exempted to the amount of

11,000 tons; the pool assessment shall not be charged on any member's shipments until it or they shall have completed its or their quota of exempted tonnage.

Seventh. It is required that all I beams and channels shipped into the States bordering on the Pacific coast and to be actually used in the territory into which it is shipped and also all I beams and channels actually exported for use outside the limits of the United States be reported to the commissioner together with bills of lading or other evidence of exportation satisfactory to him (said evidence to be confidential and not to be circulated among the members). Such tonnage will be deducted from the member's report and the agreed pool tax charged on the balance.

Eight. Upon receiving the written request of any one member of the association the commissioner shall call a meeting of the parties to this agreement, to be held within five days from the date of his receiving such written request.

Ninth. If at any time any of the parties hereto shall have reason to suppose that any other party or parties to the agreement have violated any of the provisions of this agreement, the said party so supposing the agreement has been violated shall file with the commissioner of the association a bill of complaint against the party or parties so suspected of such violation, which bill of complaint shall fully set forth the act or acts complained of, together with all the matters or things connected therewith. The said bill of complaint shall be in writing and shall furnish all the evidence that can be submitted in connection with the alleged violation, and upon receipt by the commissioner of any and all bills of complaint as aforesaid, he shall forthwith use his best offices to have the accuser and accused arrive at an amicable settlement, failing in which, he shall submit all the information he may have to the executive committee for action. If the said executive committee shall determine that the charges have been sustained, they, the executive committee, shall impose a penalty not less than $1,000, nor more than the amount standing to the credit of the member so punished in the guaranty fund at the time the fine is imposed upon the party so adjudged as having violated the agreement, but if the executive committee shall determine that the charges have not been sustained they shall dismiss the complaint from further consideration by them. It being further understood and agreed that no member of the executive committee shall act upon any bill of complaint made by or made
80 against the member of the association which he represents, nor shall any representative of a member of the association vote upon any bill of complaint brought by or brought against the member of the association which he represents. Any penalty imposed by the executive committee will be collected by the treasurer, deducting the amount thereof from the deposit made by the member against whom the penalty is imposed to the guaranty fund, as provided for in clause fourth of this agreement, within two weeks after such penalty is thus imposed, the sum thereof shall be transferred pro

rata as per allotments to the accounts of the members of the association, excluding the member against whom the penalty is imposed, by the treasurer of the association, in which case the member so punished shall immediately remit an amount sufficient to make good the sum taken from the guaranty fund.

In case the offending member shall appeal to the association, and the action of the executive committee should not be sustained by a majority vote of said association, then the fine imposed shall be re-rata as per allotments to the accounts of the members of the association by reason of this shall be returned.

Tenth. No member of this association (the New Jersey Steel & Iron Co. excepted) shall make any lump sum bid, nor shall they or it erect any building, directly or indirectly. This applies only to members as "rolling mills." Any question arising as to the interpretation of this clause shall be referred to the commissioner for his immediate decision.

Eleventh. No consideration in the nature of brokerage or commission is to be allowed, except to the accredited agents of the parties to this agreement, whose names shall be on file with the commissioner; and in no case will it be permissible for such commission to be divided.

No sales or contracts shall be made to or with middlemen except on specific work for immediate specifications.

All sales between parties to this agreement shall be at pool prices, as provided in Agreement "B," and all shipments shall be reported by the manufacturer, on which the pool tax will be charged the same as to outside parties, the purchaser also to report shipments of all such material so bought for which they shall claim and receive credit.

Twelfth. At any meeting of the members of this association, called by the commissioner as herein provided, any party or parties may give notice of withdrawal herefrom, but no such notice shall take effect until January 1, 1898. If the aggregate pool percentage of the parties giving such notice of withdrawal shall amount to less than 4 per cent, this agreement shall continue in force as between the remaining parties, but if such aggregate shall amount to 4 per cent or more this agreement shall terminate at the time so fixed. But statements shall continue to be rendered of all I beams and channels shipped up to date of its termination, the pool assessment.

81 Thirteenth. The percentages of the parties hereto or of their successors (including as such any concern mainly owned or controlled by any of the said parties or any of their stockholders) shall be maintained in the same relative proportion until otherwise agreed, and if any party shall at any time have more than one successor or allied concern, the aggregate percentages allotted to itself and all its successors and allied concerns shall not exceed the percentage that the original concern would have been entitled to if it had continued alone its relations to the other parties under this agreement, and the parties thereto shall include in their statement the shipments for such successors and allied concerns.

Fourteenth. In case other firms or corporations are admitted as partners to this agreement, the percentage of the pool allotted to each shall be deducted pro rata from the percentages of the members immediately prior to the time of its admission; and in case any of the parties hereto or any of the parties hereafter admitted shall withdraw, the percentage of the pool allotted to such withdrawing party or parties shall be added pro rata to the percentages of the parties remaining. In such case the commissioner shall compute and report the new percentages to the nearest one-hundredth of one per cent, which degree of accuracy shall be deemed sufficient.

Fifteenth. The allotment herein made of percentages, the amount of the guaranty fund, and the payment made to the New Jersey Steel & Iron Co., as herein provided, shall not be altered, amended, or changed in any respect, except by the unanimous consent of all the parties to this agreement, but any other matters or things whatsoever which concern this agreement or the association formed thereby, or any regulations hereafter adopted, may, at any time, be abrogated or amended or altered at any meeting of the members of this association, provided that two-thirds of the members of the association are present thereat, that they represent at least two-thirds of the percentage allotted to all, and vote in favor thereof.

Sixteenth. To provide for the prompt payment of all salaries, rents, and other expenses (except the payment which is to be made monthly to the New Jersey Steel & Iron Co.) a general expense fund shall be called in as needed by the treasurer in proportion to the percentage allotted each member in the association.

Seventeenth. No matter of account or understanding outside of this agreement shall affect the settlement herein provided for, either as an offset or otherwise, nor shall any written or unwritten agreement of the parties hereto, or any of them, to establish and maintain uniformity in prices, or in any controversy arising out of such agreement, or any failure to carry out any of its provisions, or to
82 maintain prices, affect in any way the rendering of the statements and the making of the settlements therein required.

Eighteenth. Whenever this agreement shall have been terminated the balance of the deposit, with accumulated interest, remaining in the hands of the treasurer to the credit of each party, after provision shall have been made for the payment of all expenses, shall be returned to it, provided it shall have rendered all the statements required from it under this agreement and have paid all its debtor balances. In case any party hereto shall not have fulfilled its money obligations under this agreement, the amount it has on deposit in the guarantee fund shall be applied toward the fulfillment of those obligations, and the excess, if any, returned to it. But in case any party shall not have fulfilled its agreement to render the monthly statements under this agreement, the amount it has on deposit in the guarantee fund, or the excess thereof, as above stated, shall be divided among the parties who shall have fulfilled their obligations

under this agreement in the proportion of their respective percentages.

Nineteenth. At the expiration of this agreement, or at any time the president of the association, together with the majority of the executive committee, determine that it is advisable that all or any part of any funds belonging to the association shall be withdrawn from the depository then holding the same, upon notification by the present and a majority of the executive committee of such determination being given the treasurer, he, the treasurer, shall make and sign a sight draft or check upon the depository so holding such funds for the sums named in such notification, which check or sight draft shall then be countersigned by the president or one member of the executive committee, and when such checks or sight drafts are so made and signed by the treasurer and countersigned by the president or one member of the executive committee and duly presented for payment at the office of the depository holding the funds of the association, all such checks and sight drafts shall be paid by such depository.

Twentieth. For all purposes of this agreement a ton shall be taken and held of 2,000 pounds.

In witness whereof the parties hereto have signed this agreement the day and year first above written.

83 *Exhibit C.*

OFFICERS AND DIRECTORS OF THE U. S. S. C.

Chairman of board and chairman of finance committee, E. H. Gary.
President, W. E. Corey.
1st vice president, W. B. Dickson.
2nd vice president, David G. Kerr.
Sec. and Treas., Richard Trimble.
Gen. counsel, Francis Lynde Stetson.
Asst. sec., Thomas Murray.
Asst. treas., H. G. Hay.
Comptroller, W. J. Filbert.
Asst. comptroller, Jos. H. Craig.

DIRECTORS.

	Term expires.
Baker, Geo. F	1911
Clifford, Alfred	1910
Converse, E. C	1910
Corey, W. E	1911
Dryden, Jno. F	1911
Frick, Henry C	1912
Gary, Elbert H	1910
Griscom, Clement A	1911

	Term expires.
Mather, Samuel	1911
Moore, William H	1912
Morgan, J. P	1910
Morgan, J. P., jr	1910
Morrison, Thos	1910
Perkins, Geo. W	1910
Phipps, Henry	1910
Ream, Norman B	1912
Reed, James H	1912
Reid, Daniel G	1911
Roberts, Persival, jr	1912
Rockefeller, John D., jr	1912
Steele, Chas	1912
Thayer, Nathaniel	1911
Walters, Henry	1911
Widener, P. A. B	1912
Winsor, Robt	1912

84 The following of said officers and directors are also directors of the following companies:

Baker, George F.:
Adams Express Co., the, member of board of managers.
American Telephone & Telegraph Co., dir.
Astor Trust Co., dir.
Atlas Portland Cement Co., the, dir.
Bankers' Safe Deposit Co., v. pres. and trustee.
Bowery Savings Bank, the, trustee.
Car Trust Investment Co., Limited, London, dir.
Central R. R. Co. of N. J., the, dir.
Chase National Bank, the, dir.
Chicago, Burlington & Quincy R. R. Co., dir.
Cincinnati, Hamilton & Dayton Railway Co., dir.
Colorado & Southern Railway Co., dir.
Consolidated Gas Co. of New York, trustee.
Continental Insurance Co., the, dir.
Delaware, Lackawanna & Western R. R. Co., member of board of managers.
East Jersey Water Co., dir.
Erie R. R. Co., dir.
Farmers' Loan & Trust Co., the, dir.
First National Bank of Chicago, dir.
First National Bank of N. Y., chairman of the board of dirs.
First Security Co. of the City of N. Y., pres and dir.
Guaranty Trust Co. of N. Y., dir.
Industrial Trust Co., Providence, dir.
International Harvester Co., dir.
Jersey City Water Supply Co., v. pres. and dir.
Lake Erie & Western R. R. Co., the, dir.

Baker, George F.—Continued.
Lake Shore & Michigan Southern Ry. Co., the, dir.
Lehigh & Wilkesbarre Coal Co., dir.
Lehigh Valley Coal Co., dir.
Lehigh Valley R. R. Co., dir.
Liberty National Bank, the, dir.
Manhattan Trust Co., dir.
Metropolitan Opera & Real Estate Co., pres. and dir.
Michigan Central R. R. Co., the, dir.
Mohawk & Malone Railway Co., dir.
Montclair Water Co., the, dir.
Morton Trust Co., dir.
Mutual Life Insurance Co., of N. Y., the, trustee.
National Bank of Commerce in N. Y., dir.
N. J. General Security Co., pres. and dir.
N. Y. & Harlem R. R., dir.
N. Y. & Long Brank R. R. Co., pres. & dir.
N. Y. & Putnam R. R. Co., dir.
N. Y. Central & Hudson River R. R. Co., dir.
N. Y. Chicago & St. Louis R. R. Co., dir.
N. Y. Clearing House Building Co., dir.
85 N. Y. Mutual Gas Light Co., the, dir.
Newport Trust Co., dir.
Northern Pacific Railway Co., dir.
Northern Securities Co., second v. pres. and dir.
Pennsylvania Coal Co., dir.
Pere Marquette R. R. Co., dir.
Provident Loan Society of N. Y., the, trustee.
Pullman Co., the, dir.
Spring Brook Water Supply Co., dir.
U. S. Steel Corporation, dir.
West Shore R. R. Co., dir.

Converse, Edmund C.:
Allis-Chalmers Co., dir.
American Bank Note Co., dir.
American Can Co., dir.
Astor Trust Co., pres. and dir.
Bankers' Trust Co., pres. and dir.
Coronet Phosphate Co., pres. and dir.
Fidelity Fire Insurance Co., dir.
Fourth Street National Bank, Philadelphia, dir.
Hudson & Manhattan R. R. Co., dir.
International Nickel Co., dir.
International Smelting & Refining Co., dir.
Inter-Ocean Steel Co., dir.
Interstate Investing Co., dir.
Kewanee Oil & Gas Co., dir.
Liberty National Bank, the, dir.
Manning, Maxwell & Moore, Incorporated, dir.

Converse, Edmund C.—Continued.
McKeesport Connecting R. R., dir.
Mohican Oil & Gas Co., v. pres.
National Supply Co., Toledo, dir.
National Tube Co., dir.
National Tube Works Co., dir.
Phoenix Insurance Co., of Brooklyn, dir.
Sheffield Coal & Iron Co., dir.
Texas & Pacific Coal Co., dir.
Union Trust Co., Pittsburg, dir.
United Bank Note Corporation, pres. and dir.
U. S. Steel Corporation, dir.
West Penn. Railways, chairman of the board of dirs.
Westinghouse Electric & Mfg. Co., dir.
Corey, William E.:
American Mining Co., dir.
American Sheet & Tin Plate Co., dir.
American Steel & Wire Co., of N. J., dir.
Birmingham Southern Railway Co., dir.
Carnegie, Phipps & Co., Limited, dir.
Carnegie Steel Co., dir.
Carnegie Steel Co., Limited, the, dir.
86 Carnegie Steel Co., of Pennsylvania, dir.
Clairton Steel Co., dir.
Chicago, Lake Shore & Eastern Railway Co., dir.
Connellsville & Monongahela Railway Co., dir.
Duluth & Iron Range Railroad Co., dir.
Edgar Zinc Co., dir.
Elgin, Joliet & Eastern Railway Co., dir.
Federal Steel Co., dir.
Gary Land Co., dir.
H. C. Frick Coke Co., dir.
Illinois Steel Co., dir.
Minnesota Steel Co., dir.
Minnesota Iron Co., dir.
Mount Pleasant Water Co., dir.
National Tube Co., dir.
National Tube Works Co., dir.
Pittsburg Steamship Co., dir.
Sharon Tin Plate Co., dir.
Shelby Steel Tube Co., dir.
Tennessee Coal, Iron & R. R. Co., dir.
Trotter Water Co., dir.
Troy Steel Products Export Co., dir.
Union Steel Co., dir.
U. S. Coal & Coke Co., dir.
U. S. Steel Products Export Co., dir.
Youghiogheny Northern Railway Co., dir.

Dryden, John F., president and director of the Prudential Insurance Co. of America:
Equitable Trust Co. of N. Y., the, trustee.
Fidelity Trust Co., Newark, N. J., v. pres. and dir.
Mercantile Trust Co., the, dir.
National Bank of Commerce in N. Y., dir.
Public Service Corporation, dir.
Union National Bank, Newark, N. J., dir.
U. S. Casualty Co., dir.
U. S. Steel Corporation, dir.

Frick, Henry C.:
Chicago & Northwestern Railway Co., dir.
City Deposit Bank, Pittsburg, dir.
Mellon National Bank, Pittsburg, dir.
National Union Fire Insurance Co., Pittsburg, dir.
Pennsylvania R. R. Co., the, dir.
Philadelphia & Reading Coal & Iron Co., dir.
Philadelphia & Reading Railway Co., dir.
Reading Co., dir.
Union Insurance Co., Pittsburg, dir.
Union Pacific R. R. Co., dir.
Union Trust Co. of Pittsburg, the, dir.
U. S. Steel Corporation, dir.

87 Gary, Elbert H.:
Allis-Chalmers Co., chairman of the board of directors and member of finance committee.
American Bridge Co., dir.
American Bridge Co. of N. Y., dir.
American Sheet and Tin Plate Co., dir.
American Steel & Wire Co. of N. J., dir.
American Steel Foundries, dir.
American Trust & Savings Bank, Chicago, dir.
Bessemer & Lake Erie R. R. Co., dir.
Bullock Electric Mfg. Co., dir.
Carnegie Steel Co., dir.
Chicago, Lake Shore & Eastern Railway Co., dir.
Commercial National Bank of Chicago, dir.
Duluth & Iron Range R. R. Co., dir.
Duluth, Missabe & Northern Railway Co., dir.
Elgin, Joliet & Eastern Railway Co., dir.
Empire Bridge Co., dir.
Federal Steel Co., pres. and dir.
Gary-Wheaton Bank, Wheaton, Ill., pres and dir.
H. C. Frick Coke Co., dir.
Hudson & Manhattan R. R. Co., dir.
Illinois Steel Co., dir.
International Harvester Co., dir.
Lake Superior Consolidated Iron Mines, dir.
Merchants Loan & Trust Co., Chicago, dir.

Gary, Elbert H.—Continued.
Minnesota Iron Co., dir.
Minnesota Steel Co., dir.
National Tube Co., dir.
Newburg & South Shore Railway Co., dir.
N. Y. Trust Co., member of executive committee and dir.
Oliver Iron Mining Co., dir.
Phoenix National Bank of the City of N. Y., the, dir.
Pittsburgh, Bessemer & Lake Erie R. R. Co., dir.
Pittsburgh Steamship Co. Co., dir.
Southern Railway Co., dir.
Tennessee Coal, Iron & R. R. Co., dir.
Union Steel Co., dir.
U. S. Coal & Coke Co., dir.
U. S. Natural Gas Co., dir.
U. S. Steel Products Export Co., dir.
Universal Portland Cement Co., dir.
Griscom, Clement A., jr., president and director of the Griscom-Spencer Co.
American Finance and Securities Co., the, dir.
Bell Pure Air & Cooling Co., pres. and dir.
Development Co. of America, the, dir.
El Tiro Copper Co., dir.
Empire Trust Co., dir.
Guanajuato Reduction & Mines Co., the, v. pres. and dir.
N. Y. Real Estate Security Co., dir.
Reilly Heater & Evaporator Co., dir.
88 Moore, William H.:
American Can Co., dir.
Chicago & Eastern Illinois R. R. Co., dir.
Chicago, Rock Island & Pacific R. R. Co., dir.
Chicago, Rock Island & Pacific Railway Co., dir.
Delaware, Lackawanna & Western Railway Co., dir.
Evansville & Indianapolis R. R., dir.
Evansville & Terre Haute R. R. Co., dir.
Evansville Belt Railway Co., dir.
Fidelity Fire Insurance Co., dir.
First National Bank of N. Y., dir.
First Security Co. of the City of N. Y., dir.
Kansas City, Fort Scott & Memphis Railway Co., the, dir.
Kansas City, Memphis & Birmingham R. R. Co., dir.
Keokuk & Des Moines Railway Co., dir.
National Biscuit Co., dir.
Peoria & Bureau Valley R. R. Co., dir.
Price Flavoring Extract Co., dir.
Rock Island Co., the, dir.
St. Louis & San Francisco R. R. Co., dir.
U. S. Steel Corporation, dir.

Morgan, J. Pierpont:
- Ætna Insurance Co., Hartford, Conn., dir.
- Carthage & Adirondack Railway Co., dir.
- Carthage, Watertown & Sackets Harbor R. R. Co., dir.
- Central New England Railway Co., dir.
- Cleveland, Cincinnati, Chicago & St. Louis Railway Co., dir.
- Columbus, Hope & Greensburg R. R., dir.
- Dunkirk, Allegheny Valley & Pittsburgh R. R. Co., dir.
- Ellenville & Kingston R. R. Co., dir.
- First National Bank of N. Y., dir.
- First Security Co. of the City of N. Y., dir.
- Fort Wayne, Cincinnati & Louisville R. R. Co., dir.
- Fulton Chain Railway Co., dir.
- Fulton Navigation Co., dir.
- General Electric Co., dir.
- Harlem River & Port Chester R. R., dir.
- Hartford & Connecticut Western R. R. Co., dir.
- Jersey City & Bayonne R. R. Co., d'r.
- Lake Erie & Western R. R. Co., dir.
- Lake Shore & Michigan Southern Railway Co., the, dir.
- Mexican Telegraph Co., dir.
- Michigan Central R. R. Co., the, dir.
- Mohawk & Malone R. R. Co., dir.
- National Bank of Commerce in N. Y., dir.
- New England Navigation Co., dir.
- New England R. R. Co., dir.
- N. J. Junction R. R. Co., dir.
- N. J. Shore Line R. R. Co., dir.
- Newport Trust Co., dir.
- N. Y. & Harlem R. R. Co., dir.

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- N. Y. & Northern Railway Co., dir.
- N. Y. & Ottawa Railway Co., dir.
- N. Y. & Putnam R. R. Co., dir.
- N. Y. Central & Hudson River R. R. Co., the, dir.
- N. Y., Chicago & St. Louis R. R. Co., dir.
- N. Y., New Haven & Hartford R. R. Co., dir.
- N. Y., Ontario & Western Railway Co., dir.
- N. Y., State Realty & Terminal Co., dir.
- Niagara Falls Branch R. R. Co., dir.
- Ontario, Carbondale & Scranton Railway Co., dir.
- Pittsburgh & Lake Erie R. R. Co., dir.
- Port Jervis, Monticello & Summitville R. R. Co., dir.
- Poughkeepsie Bridge R. R. Co., dir.
- Pullman Co., the, dir.
- Raquette Lake Railway Co., dir.
- Rhode Island Co. (electric line), dir.
- Rutland R. R. Co., dir.
- St. Lawrence & Adirondack Railway Co., dir.
- Syracuse, Geneva & Corning Railway Co., dir.

Morgan, J. Pierpont—Continued.
Terminal Railway of Buffalo, dir.
U. S. Steel Corporation, dir.
Wallkill Valley R. R. Co., dir.
West Shore R. R. Co., dir.
Western Union Telegraph Co., dir.
Morgan, J. Pierpont, jr.:
Acadia Coal Co., Limited, dir.
International Mercantile Marine Co., the, dir.
Northern Pacific Railway Co., dir.
Murray, Thomas:
American Bridge Co., dir.
American Bridge Co., of N. Y., dir.
American Sheet & Tin Plate Co., dir.
American Steel & Wire Co., of N. J., the, dir.
Duluth & Iron Range R. R. Co., assistant secretary, assistant treasurer and dir.
Federal Steel Co., first v. pres. and dir.
Lake Superior Consolidated Iron Mines, v. pres. and dir.
National Tube Co., dir.
Scott & Fowles Co., dir.
Tennessee, Coal, Iron & R. R. Co., dir.
Traction Equipment Co., dir.
U. S. Steel Products Export Co., sec'y and dir.
Perkins, George W.:
Astor Trust Co., dir.
Bankers' Trust Co., dir.
90 Cincinnati, Hamilton & Dayton R. R. Co., chairman of the board of directors.
Dayton & Union R. R. Co., dir.
German-American Insurance Co., dir.
Great Central Dock Co., v. pres. and dir.
Hamilton Belt Railway Co., v. pres. and dir.
International Harvester Co., chairman of finance committee and director.
International Mercantile Marine Co., dir.
Marquette & Bessemer Dock & Navigation Co., dir.
National City Bank of N. Y., the, dir.
N. Y. Trust Co., trustee.
Northern Pacific Railway Co., dir.
Northern Securities Co., dir.
Pere Marquette R. R. Co., chairman of the board of dirs.
U. S. Steel Corporation, dir.
Phipps, Henry:
Mellon National Bank, Pittsburg, dir.
Philadelphia Rapid Transit Co., dir.
U. S. Steel Corporation, dir.

Ream, Norman B.:
Baltimore & Ohio R. R. Co., dir.
Brooklyn Heights R. R. Co., dir.
Brooklyn Rapid Transit Co., dir.
Central Safety Deposit Co., v. pres. and dir.
Chicago & Erie R. R. Co., dir.
Chicago, Burlington & Quincy R. R. Co., dir.
Cincinnati, Hamilton & Dayton R. R. Co., dir.
Cumberland Corporation, dir.
Erie R. R. Co., dir.
First National Bank of Chicago, dir.
Franco-American Financial Association, the, dir.
International Harvester Co., dir.
Metropolition Trust Co., of the city of N. Y., dir.
National Biscuit Co., dir.
N. Y., Susquehanna & Western R. R. Co., dir.
N. Y. Trust Co., trustee.
Pennsylvania Coal Co., dir.
Pere Marquette R. R. Co., dir.
Pullman Co., the, dir.
Reliance Co., the, dir.
Seaboard Air Line Railway, dir.
Securities Co., the, dir.
U. S. Steel Corporation, dir.

91 Reid, Daniel G., vice president and director of the Liberty National Bank:
American Can Co., dir.
Astor Trust Co., dir.
Bankers' Trust Co., dir.
Chicago & Eastern Illinois R. R. Co., dir.
Chicago, Rock Island & Pacific R. R. Co., dir.
Chicago, Rock Island & Pacific Railway Co., the, chairman of the board of dirs.
Continental Insurance Co., the, dir.
Evansville & Indianapolis Railway, v. pres. and dir.
Evansville & Terre Haute R. R. Co., v. pres. and dir.
Guaranty Trust Co. of N. Y., dir.
Keokuk & Des Moines R. R. Co., v. pres. and dir.
Peoria & Bureau Valley R. R. Co., pres. and dir.
Rock Island Co., the, dir.
St. Louis & San Francisco R. R. Co., dir.
Second National Bank, Richmond, Ind., dir. and v. pres.
Union National Bank, Richmond, Ind., dir.
U. S. Steel Corporation, dir.

Rockefeller, John D., jr.:
American Linseed Co., dir.
Delaware, Lackawanna & Western R. R. Co., member of board of managers.

Rockefeller, John D., jr.—Continued.
Standard Oil Co. (of N. J.), dir.
U. S. Steel Corporation, dir.
Steele, Charles:
Adams Express Co., the, member of the board of managers.
Alabama Great Southern R. R. Co., dir.
Atchison, Topeka & Santa Fe Railway Co., the, dir.
Central R. R. Co., of N. J., the, dir.
Chicago & Erie R. R. Co., dir.
Chicago, Indianapolis & Louisville Railway Co., dir.
Cincinnati, Hamilton & Dayton Railway Co., dir.
Erie & Jersey R. R. Co., dir.
Erie R. R. Co., dir.
General Electric Co., dir.
Gulf, Colorado & Santa Fe Railway Co., dir.
International Harvester Co., dir.
International Mercantile Marine Co., the, dir.
Lehigh Valley R. R. Co., dir.
Lehigh Valley Railway Co., dir.
National Tube Co., dir.
N. J. & N. Y. R. R. Co., dir.
N. Y., Susquehanna & Western R. R. Co., dir.
Northern Pacific Railway Co., dir.
Pere Marquette R. R. Co., dir.
Santa Fe, Prescott & Phoenix Railway Co., dir.
92 Southern Railway Co., dir.
Standard Trust Co., dir.
U. S. Steel Corporation, dir.
Stetson, Francis Lynde:
Atlantic Coast Lumber Corporation, dir.
Cataract Power & Conduit Co., of Buffalo, dir.
Chicago & Erie R. R. Co., dir.
Erie & Jersey R. R. Co., dir.
Genesee River R. R. Co., dir.
N. Y., Susquehanna & Western R. R. Co., dir.
Niagara Falls Power Co., the, dir.
Niagara Development Co., dir.
Niagara Junction Railway, dir.
U. S. Express Co., dir.
U. S. Rubber Co., dir.
Trimble, Richard:
Elgin, Joliet & Eastern Railway Co., dir.
Federal Steel Co., sec'y, treas., and dir.
Lake Superior Consolidated Iron Mines, dir.
Minnesota Steel Co., treas. and dir.
National Tube Co., dir.
Tennessee Coal, Iron & R. R. Co., dir.
Union Steel Co., dir.

Walters, Henry:
Atlanta & West Point R. R. Co., dir.
Atlantic Coast Line Co., the, chairman of the board of dirs.
Atlantic Coast Line R. R. Co., chairman of the board of dirs.
Belt Line Railway Co. (Montgomery, Ala.), dir.
Charleston & Western Carolina Railway Co., v. pres. and dir.
Chesapeake Steamship Co., dir.
Chicago, Indianapolis & Louisville Railway Co., dir.
Columbia, Newbury & Laurens R. R. Co., dir.
Cuba Co., the, dir.
Lackawanna Steel Co., dir.
Louisville & Nashville R. R. Co., chairman of board of dirs.
Milledgeville Railway Co., dir.
Nashville, Chattanooga & St. Louis Railway Co., dir.
N. Y. Shipbuilding Co., dir.
Northern Central Railway Co., dir.
Northwestern R. R. Co. of South Carolina, dir.
Old Dominion Steamship Co., dir.
Richmond-Washington Co., dir.
Safe Deposit & Trust Co., Baltimore, v. pres. and dir.
Southern Cotton Oil Co., the, dir.
Virginia-Carolina Chemical Co., dir.
Washington Southern Railway Co., dir.
Western Railway of Alabama, dir.
Western Union Telegraph Co., the, dir.
Wilmington Savings & Trust Co. (Wilmington, N. C.), v. pres. and dir.

93 Dickson, William B.:
Butte Coalition Mining Co., dir.
Carnegie Steel Co., dir.
Minnesota Steel Co., pres. & dir.
Montclair Trust Co., dir.
National Tube Co., dir.
Red Metal Mining Co., dir.
Tennessee Coal Iron & R. R. Co., dir.
Trenton Iron Co., dir.
Union Steel Co., pres. and dir.

Filbert, William J.:
Essex Iron Co., dir.
Lake Superior Consolidated Iron Mines, dir.
Minnesota Steel Co., sec'y and dir.
Tennessee Coal, Iron & R. R. Co., dir.
Troy Steel Products Co., dir.
Union Steel Co., dir. and sec'y.

94 Filed February 1, 1912.

In the District Court of the United States for the District of New Jersey.

Between United States of America, petitioner, and United States Steel Corporation and others, defendants.

Answer of United States Steel Corporation and others.

Lindabury, Depue & Faulks, solicitors for and of counsel with answering defendants.

Joseph H. Choate, John G. Johnson, Francis Lynde Stetson, David A. Reed, Raynal C. Bolling, Richard V. Lindabury, of counsel.

94½ In the District Court of the United States for the District of New Jersey.

Between United States of America, petitioner, and United States Steel Corporation and others, defendants. Answer of United States Steel Corporation and others.

The joint and several answer of United States Steel Corporation (hereinafter referred to as the Steel Corporation), Carnegie Steel Company, Federal Steel Company, American Steel & Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Sheet & Tin Plate Company, American Tin Plate Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron & Railroad Company, Great Western Mining Company, J. Pierpont Morgan, Elbert H. Gary, Charles M. Schwab, Charles Steele, Henry C. Frick, James Gayley, William H. Moore, James H. Moore, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, George W. Perkins, and Peter A. B. Widener, certain of the defendants in the above-entitled cause, to the petition for relief filed by the United States of America in said cause.

95 These defendants, answering unto so much and such parts of said petition as they are advised it is material and necessary for them to make answer unto, say:

AS TO THE ORGANIZATION OF CERTAIN OF THE CORPORATE DEFENDANTS.

1. They admit that the defendants, United States Steel Corporation, Carnegie Steel Company, Federal Steel Company, American Steel & Wire Company, National Tube Company, Shelby Steel Tube Company, American Sheet & Tin Plate Company, American Tin Plate Company, American Bridge Company, and Lake Superior Consolidated Iron Mines, are corporations organized under the

laws of the State of New Jersey and are residents of said State. They admit that certain corporations named as defendants—that is to say, American Sheet Steel Company, the Carnegie Company (called in said petition Carnegie Company of New Jersey), National Steel Company and American Steel Hoop Company—were organized as corporations under the laws of the State of New Jersey, and at one time existed as such. They say, however, that on or about the 31st day of December, 1903, the name of the American Sheet Steel Company was, by proper legal proceedings changed to American Sheet & Tin Plate Company, one of the answering defendants, and that the Carnegie Company, American Steel Hoop Company, and National Steel Company were, on March 26, 1903, by proper legal proceedings, merged into the present Carnegie Steel Company, another of the answering defendants. They further say that on December 31, 1903, all the property of American Tin Plate Company was sold and conveyed to the answering defendant, American Sheet & Tin Plate Company, since which date American Tin Plate Company has done no business.

AS TO THE CONDITIONS EXISTING BEFORE THE CONSOLIDATION OF 1898–1900.

2. They admit that previous to and until the year 1898 the greater part of the iron and steel business of the United States was carried on by many different persons, partnerships, and corporations, and that some of these persons, partnerships, and corporations were in competition with others of them, but they deny that such competition was general. They admit that at various times and
96 in various localities such competition was modified by pools and combinations, but to what extent, if at all, such pools or combinations were unlawful or operated to restrain trade, they are not informed.

3. They admit that between the beginning of the year 1898 and the end of the year 1900 many large consolidations were effected in important branches of the steel and iron industry, including the manufacture of crude, semifinished, and finished products, and that into some of said consolidations (but not all) a number of concerns entered which had formerly competed with each other.

4. They say that at and before the time when said consolidations were effected a destructive competition had existed between some of the persons, corporations, and copartnerships so consolidated which had driven a large number of them to the verge of bankruptcy; that important and radical changes had also taken place in certain branches of the industry on account of which such branches could no longer be profitably carried on in disintegrated form and with small capital as theretofore; that many, if not all, of the persons, corporations, and copartnerships entering into the said consolidations had found it desirable, and many of them had found it necessary, to develop their respective businesses upon broader and more

economical lines and to distribute their products in wider fields, and that for these purposes greatly increased capital and facilities were necessary. They deny that any of the consolidations involved in this action were effected for the purpose of preventing competition, restraining trade, or acquiring a monopoly.

AS TO THE ORGANIZATION OF THE FEDERAL STEEL COMPANY.

5. They admit that the Federal Steel Company was incorporated at the time and issued the capital stock alleged in the petition, and that it acquired through stock ownership the various companies therein stated. They also admit that the acquired companies owned the various properties in the petition stated, and that by said several acquisitions there was brought under one control approximately 15% of the steel ingot production of the United States. They deny that the capital stock of the Federal Steel Company exceeded the value of the properties for which it was issued. They say that said properties were purchased as cheaply as they could be obtained and possessed a value to the said company at least equal to its
97 capitalization. They deny that the Illinois Steel Company and the Lorain Steel Company were competitors previous to the organization of the Federal Steel Company, except to a small and unimportant extent in the manufacture and sale of standard rails. They deny that either the purpose or effect of such acquisitions was to create a combination between the acquired companies and the Federal Steel Company, or their officers, agents, promoters, or underwriters, in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted an attempt by said parties to monopolize or a monopolization of any part of such trade or commerce within the meaning or intent of the sections of the antitrust act referred to in said petition, or of any other section. They say that the purpose of such acquisitions was to bring together under one management plants, properties, and processes, which, although economically and scientifically integral parts of one complete plant and process, had theretofore been operated as separate and independent units; that it was thought by those who participated in the organization of the Federal Steel Company and the acquisition of said properties (some of whom are defendants in this cause) that by means of such integration the cost of production could be materially decreased and the facilities for distribution greatly improved and extended, with resultant profit to the producers and benefit to the consumers and without injury to competitors. And they say that such, and no other, has been the effect of said organization and integration: that trade has not been restrained but has been extended thereby; that production has been cheapened both to the manufacturer and consumer, and that competition in the production and sale of articles manufactured by said company has flourished as never before.

AS TO THE ORGANIZATION OF THE CARNEGIE COMPANY (OF NEW JERSEY).

6. They admit that The Carnegie Company (of New Jersey) was incorporated at the time and with the capitalization alleged in the petition, and that it acquired the Carnegie Steel Company (Limited) and the H. C. Frick Coke Company, with their subsidiary companies, as therein alleged. They also admit that at the time of its formation The Carnegie Company (of New Jersey) controlled 18% of the steel ingot production of the United States, and that when it was 97½ acquired by the Steel Corporation it owned or controlled the various companies and properties set out in the petition. They deny that either the "absorption" of the Duquesne Steel Works by the "Carnegie interests" (which occurred in 1890), or the acquisition by The Carnegie Company (of New Jersey) of the Carnegie Steel Company (Limited) and the H. C. Frick Coke Company in 1900, or the acquisition of any of the other companies or properties specified in the petition constituted or effected a combination in restraint of trade or commerce or a monopolization or an attempt to monopolize, as alleged in said petition, or that such was the purpose of said acquisitions or of any of them. On the contrary, they say that neither the "Carnegie interests" nor The Carnegie Company (of New Jersey) was a combination of any sort or character. They say that The Carnegie Company (of New Jersey) was the final development by the Carnegie interests (so called) of a single enterprise which was owned and operated throughout its whole growth by a small number of individuals who had organized for subsidiary manufacturing, mining, trading, and transportation purposes substantially all the companies which The Carnegie Company acquired, no one of which, except the Duquesne Steel Works, had ever competed with any of the others.

AS TO THE ORGANIZATION OF THE AMERICAN STEEL & WIRE COMPANY OF NEW JERSEY.

7. They admit that the American Steel & Wire Company of New Jersey was incorporated at the time and with the capitalization alleged in the petition. They deny that it combined under one management the control of all the leading concerns engaged in the manufacture of wire products in the United States. They say that, on the contrary, a number of important and leading producers of wire products were not so acquired and have continued ever since in active competition with the American Steel & Wire Company. They admit that many of the concerns so consolidated had previously competed with each other to a limited extent, according to the location of their respective works and the character, class and quality of their products. The extent of such competition is unknown to these defendants. They admit the organization and stock issue of the Consolidated Steel & Wire Company and the American Steel &

Wire Company of Illinois, as in the petition set forth, and also the issue by the American Steel & Wire Company of New Jersey
98 of its stock for the stock of the American Steel & Wire Company of Illinois; but they deny that the stock so issued by the American Steel & Wire Company of New Jersey exceeded the value to it of the property for which it was issued. They say that they have no knowledge or information as to how much of the common stock of the American Steel & Wire Company of New Jersey was received by the promoters or underwriters for their services, or otherwise. The records of said company do not show that any of said stock was issued on any such account.

8. They admit that the American Steel & Wire Company of New Jersey, by the consolidation set forth in said petition, came into the ownership or control of the companies and properties therein named, except that it acquired only the Emma Furnace of the Union Rolling Mill Company, and only the rod and wire mills of Shenango Valley Steel Company. They deny that by the acquisition or control of said properties said American Steel & Wire Company obtained any monopoly of barbed wire or woven wire products, except such as was incident to the ownership of United States Letters Patent and was permitted thereby. They admit that in 1899 said American Steel & Wire Company controlled approximately four-fifths in productive capacity of wire fencing and wire nail plants then in operation in the United States. They admit that the prices of nearly all of the products of said company were much higher in the year 1900 than they were in the year 1897. They say, however, that a similar rise in prices took place in every branch of the iron and steel industry in the year 1899 and the early part of 1900, without regard to competition; that such rise in prices was occasioned by a great increase in the demand for iron and steel products throughout the United States and in foreign countries which far exceeded the capacity of the producers and was not caused by any combination, consolidation, monopoly, agreement or arrangement in restraint of trade or commerce, but by general business expansion and development, which affected all lines of industry. They deny that either the purpose or effect of such consolidation was to create a combination between the consolidated companies and the American Steel & Wire Company of New Jersey, their officers, agents, promoters or underwriters in restraint of trade or commerce among the several states or with foreign nations, or that said consolidation constituted an attempt by said parties to monopolize or a monopolization of any part of such trade or commerce within the meaning or
99 intent of the sections of the antitrust act referred to in the petition or of any other section. They say that active competition in the manufacture and sale of wire products has continued since the organization of the American Steel & Wire Company of New Jersey and has increased to such an extent that less than 60% of the wire production of the United States is now manufactured and sold by said American Steel & Wire Company.

AS TO THE ORGANIZATION OF THE NATIONAL TUBE COMPANY.

9. They admit that the National Tube Company was incorporated at the time and with the capitalization alleged in the petition, and that it acquired the properties and in a few instances the capital stocks of the concerns named in the petition, which they say at that time produced not over 72% of the iron and steel wrought tubing in the United States. They admit that said concerns had theretofore competed with each other to a limited extent according to the location of their respective works and the character, class, and quality of their products, but the extent of such competition is unknown to these defendants. They deny that either the purpose or effect of such acquisitions by the National Tube Company was to create a combination between the said National Tube Company and the companies whose properties or stocks were acquired, or their officers, agents, promoters, or underwriters, in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted any attempt by the said parties to monopolize or a monopolization of any part of such trade or commerce within the meaning or intent of the antitrust act. They say that the formation of the National Tube Company and the consolidation under one management of the properties and businesses which it acquired were occasioned by changes in the materials and methods used in the manufacture of pipe which had lately revolutionized the industry and had brought all but two or three of the pipe manufacturers to a condition in which they were required to rebuild their plants and enormously to increase their capital or retire from the business. In addition to the necessity for greatly increased capital arising from changes in the materials and processes of pipe manufacture, the contracts for the sale of pipe had become so large that concerns with moderate capital could no longer undertake them. They say that active competition in tubular products has existed ever since
100 the organization of said company, and that the relative proportion of said products manufactured and sold by the National Tube Company decreased from 72% in 1899 to 38% in 1910.

AS TO THE ORGANIZATION OF THE AMERICAN TIN PLATE COMPANY.

10. They admit that the American Tin Plate Company was incorporated at the time and with the capitalization alleged in the petition. They deny that said company acquired practically every tin-plate concern in the country or that it secured thereby an almost complete monopoly of that branch of the industry, although they admit that said company did acquire control of concerns producing approximately 90% of the tin plate then manufactured in the United States.

11. They admit that many of the concerns whose properties or stocks were acquired by the American Tin Plate Company had, prior to such acquisitions, competed with each other to a limited extent

according to the location of their respective works and the character, class, and quality of their products, but the extent of such competition is unknown to these defendants. They admit, upon information and belief, that $10,000,000 of the common stock went to the organizers or underwriters. They admit that the American Tin Plate Company, upon its organization, acquired the plants and, in a few instances, the capital stocks of the companies named in the petition, except that the Canonsburg Iron & Steel Company's plant at Canonsburg, Pennsylvania, and the Champion Iron & Steel Company's plant at Muskegon, Michigan, were not acquired until 1901.

12. They deny that either the purpose or effect of such acquisitions was to create a combination between the companies whose properties or stocks were acquired and the American Tin Plate Company, or their officers, agents, promoters, or underwriters in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted an attempt by said parties to monopolize or a monopolization of any part of such trade or commerce within the meaning or intent of the sections of the antitrust act referred to in said petition or of any other section. They say that before and at the time of the organization of the American Tin Plate Company and the acquisition of its properties there existed a destructive competition which had been carried on among the concerns so acquired and had reduced many of them almost to in-
101 solvency; that the business of making tin plate was new in this country; that many of the concerns which had entered into such business were without experience, capital, or plants adequate for its successful prosecution, in consequence of which the owners had become discouraged and were desirous of retiring from the business; and that the organization of the American Tin Plate Company and the acquisition of its properties was simply a natural and normal development from the conditions then existing. They say that the effect of the organization of the American Tin Plate Company and the acquisition of its plants was not to restrain trade, but to save the industry from demoralization and destruction; that healthful and effective competition continued after its organization and has since increased, until at the present time the competitors of said company produce over 40% of the tin plate manufactured in the United States.

AS TO THE ORGANIZATION OF THE NATIONAL STEEL COMPANY.

13. They admit that the National Steel Company was incorporated at the time and with the capitalization alleged in the petition. They deny, however, that said company upon its organization, or at any other time, acquired the principal crude steel manufacturing companies west of the Alleghenies other than those owned by the Federal Steel Company and the Carnegie Steel Company (Ltd.). They admit that the concerns acquired by the National Steel Company had at the time of their acquisition a yearly capacity of about

1,800,000 tons of steel, amounting approximately to twelve per cent of the steel-ingot output of the United States. They admit that said concerns had theretofore competed with each other to a limited extent, according to the location of their respective works and the character, class, and quality of their products, but they do not know the extent of such competition.

14. They admit, upon information and belief, that $5,000,000 of the common stock went to the organizers for promotion or underwriting. They admit that the National Steel Company acquired the properties of the various concerns specified in the petition, and in a few instances the capital stocks, save that it acquired only a part of the plant of the Shenango Valley Steel Co., and only the Columbus works of the King, Gilbert & Warner Co., and acquired only a blast furnace at Niles Ohio, from the Thomas Furnace Company.

15. They deny that either the purpose or effect of such ac-
102 quisitions was to create a combination between the National Steel Company and the companies whose properties or stocks were acquired, or their officers, agents, promoters, or underwriters, in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted an attempt by said parties to monopolize or a monopolization of any part of such trade or commerce, within the meaning or intent of the antitrust act. On the contrary, they say that the purpose and effect of the organization of the National Steel Company was to provide a supply of semifinished steel for the mills of the American Tin Plate Company, which had been organized and was largely owned by the same persons who organized the National Steel Company, and was without blast furnaces or steel works and therefore was wholly dependent upon others for the semifinished steel from which it manufactured its finished products.

16. They deny that the National Steel Company acquired a one-sixth interest in all the iron ore produced by the Oliver Iron Mining Company, but say that the National Steel Company did acquire by contract a right to take and pay for one-sixth of the tonnage of Bessemer ore produced by the Oliver Iron Mining Company for a limited time at prices to be fixed annually by the latter company.

AS TO THE ORGANIZATION OF THE AMERICAN STEEL HOOP COMPANY.

17. They admit that the American Steel Hoop Company was incorporated at the time and with the capitalization alleged in the petition, and that it acquired the properties of many of the leading concerns engaged in the production of cotton ties, steel bands, hoops, and like products in the United States. They further admit, upon information and belief, that $5,000,000 of the common stock went to the organizers of said company for promotion or underwriting. They admit that the concerns whose properties were thus acquired had theretofore competed with each other to a limited extent ac-

cording to the location of their respective works and the character, class, and quality of their products, but the extent of such competition is unknown to these defendants. They admit that said company acquired, at the time of its organization or afterwards, the properties and, in some instances, the capital stocks of the various concerns mentioned in the petition, except that it acquired only a part of the Duncansville plant of the Portage Iron Company (Ltd.).

103 18. They deny that either the purpose or effect of such acquisitions was to create a combination between the American Steel Hoop Company and the acquired companies or their officers, agents, promoters, or underwriters in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted an attempt by said parties to monopolize or a monopolization of any part of such trade or commerce within the meaning or intent of the sections of the antitrust act referred to in the petition or of any other section. They say that the purpose and effect of such acquisitions was to secure an additional customer for the semifinished steel output of the National Steel Company, which had been organized and was largely owned by the same persons who organized the American Steel Hoop Company.

AS TO THE ORGANIZATION OF THE AMERICAN SHEET STEEL COMPANY.

19. They admit that the American Sheet Steel Company was incorporated at the time and with the capitalization alleged in the petition, and that it acquired at the time of its formation the properties, and, in some instances, the capital stocks of the various concerns named in the petition. They also admit that said concerns were the principal manufacturers of sheet steel in the United States, and that before the acquisition of their properties by the American Sheet Steel Company they competed with each other to a limited extent, according to the location of their respective works and the character, class, and quality of their products, but the extent of such competition is unknown to these defendants. They also admit, upon information and belief, that a portion of the capital stock of said company went for promotion or underwriting.

20. They deny that either the purpose or effect of such acquisitions was to create a combination between the American Sheet Steel Company and the acquired companies or their officers, agents, promoters, or underwriters in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted an attempt by said parties to monopolize or a monopolization of any part of such trade or commerce within the meaning or intent of the sections of the antitrust act referred to in the petition or of any other section.

21. They say that the purpose and effect of such consolidation was to secure a further market for the semifinished steel output of the

National Steel Company in addition to the demand already
104 provided by the needs of the American Tin Plate Company and the American Steel Hoop Company, all of which companies were largely owned and controlled by the same persons who organized the American Sheet Steel Company. These persons, having organized the American Tin Plate Company, found it advisable, as hereinbefore stated, to secure for that company a supply of semifinished steel, to provide which the National Steel Company was organized. Subsequently it appeared advisable to strengthen the National Steel Company by securing to it other customers in addition to the American Tin Plate Company as consumers of its output of semifinished steel. This additional market for the output of the National Steel Company was secured through the organization of the American Steel Hoop Company and American Sheet Steel Company.

AS TO THE CONDITIONS LEADING TO THE FORMATION OF UNITED STATES STEEL CORPORATION.

22. They admit that in the years 1900 and 1901 there was competition (but only to a limited extent) between the Carnegie Steel Company, the Federal Steel Company, and the National Steel Company. They also admit that there was limited competition in the sale of some of the lighter finished products between said three companies and certain other companies thereafter acquired by the Steel Corporation. They deny that any success achieved or power gained by the means referred to in the petition stimulated any such plans as are therein mentioned. They also deny that through the Steel Corporation there was brought about any general consolidation or that competition imminent or otherwise was thereby prevented.

23. They admit that the Carnegie Steel Company and the Federal Steel Company manufactured steel rails and some other heavy finished and semifinished steel products, and that for the sale of their semifinished products they were, to a large extent, dependent upon other manufacturers, among whom were some of the consolidated companies aforesaid. They deny that the National Steel Company was in the same condition in that respect as the Carnegie Steel Company and the Federal Steel Company, and say that the National Steel Company had in the American Tin Plate Company, the American Steel Hoop Company, and the American Sheet Steel Company assured customers for all its products except heavy rails.

105 24. They admit that the American Steel & Wire Company was mainly dependent upon other producers for the steel billets used in making its product and that the National Tube Company purchased a large part of its crude steel. They also admit that the American Sheet Steel, American Tin Plate, and American Steel Hoop Companies were only partially protected in obtaining their raw material from the National Steel Company, in that the output

of the National Steel Company was not always equal to the requirements of said Sheet Steel, Tin Plate, and Steel Hoop Companies.

25. They deny that there was a general movement on the part of the concerns acquired by the Steel Corporation to control their raw material and all stages in the manufacture of their products, although they admit that the advantages of owning all kinds of necessary materials and agencies throughout all the stages of steel manufacture were then becoming apparent, and that the Carnegie Company and the Federal Steel Company had already integrated their businesses to a considerable extent. They also deny that the American Steel & Wire Company planned in 1900 to make its own iron and steel, except in part and as it had done from the time of its organization, or that the National Tube Company then proposed to erect additional blast furnaces and steel works, or that the American Tin Plate, American Steel Hoop, and American Sheet Steel Companies were customers of the Carnegie Company or other makers of steel except to the extent that the National Steel Company was unable to supply them.

26. They also admit that in the year 1900 the Carnegie Company and the Federal Steel Company took steps looking to the increase of their respective facilities for the manufacture of finished products. They deny that said steps were induced by the considerations or were taken for the reasons suggested in the petition or that any such considerations or reasons existed or that any announcement thereof excited the fears or produced the results therein alleged. They also deny that if each of the actual or prospective competitors of that period "had worked out its own destiny" as a separate and independent unit of manufacture any more new plants would have been established or any greater competition would have been developed than has actually taken place under the conditions which have existed since the organization and operations of the Steel Corporation.

27. They deny that the Steel Corporation was formed either
106 for the purpose of preventing further competition or of eliminating existing competition between the companies whose capital stocks it acquired, or for any illegal or improper purpose. They say that its organization was suggested and was induced by the officers and directors of the Federal Steel Company: that this company, although largely integrated, was without finishing mills for sufficiently diversified products or sufficient capital either to build or to acquire them, and was restricted in its growth by reason of its inability to compete effectively for business in the eastern part of the United States or in many foreign countries, owing to the location of its mills and the cost of transportation: that while its officers and directors were considering the matter of increasing its capital so as to enable it to acquire finishing mills and thus complete the scheme of integration in pursuance of which it had been organized, they learned that the principal owners of the Carnegie Company were desirous of selling the business which they had established and of retiring therefrom: that about the same time they learned that the

owners of the American Steel & Wire Company were willing to sell their properties with the substantial foreign business which they had established; that the Carnegie Company possessed a number of finishing mills of the kind required by the Federal Company to increase its variety of finished products, and the Carnegie mills were well located to supply steel products to all the eastern parts of the United States and to foreign countries; that the Federal Company had no wire, tin-plate, steel-hoop, sheet-steel, or tube mills whatever; that upon receipt of said information negotiations were opened through Messrs. J. P. Morgan & Co. with the owners of the Carnegie Company, the American Steel & Wire Company, the American Tin Plate Company, the American Steel Hoop Company, the American Sheet Steel Company, and the National Tube Company looking to the acquisition of their respective properties; that all of said properties were well suited and well located for the purposes which the officers and directors of the Federal Company had in view; that the owners of the tin-plate, steel-hoop, and sheet-steel mills refused to sell them unless the National Steel properties, which they also owned, were included in the purchase; that as the result of such negotiation offers were obtained from persons controlling a majority of the stock of each of said companies, and after due and careful consideration they were accepted, and the Steel Corporation was formed to take over the stocks covered by said offers and such other stock of the same companies as it might be able to obtain at the same price; that shortly after the Steel Corporation was formed it became apparent that said corporation would need additional ore supplies and transportation facilities, and thereupon negotiations were opened with the owners of Lake Superior Consolidated Iron Mines which resulted in the acquisition of the properties of that company; that all of said properties were acquired for the lowest and best price obtainable; that the purchases thereof were negotiated at arms length, and that said properties as a whole were fairly worth to the Steel Corporation the price which it paid therefor.

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28. They say that the officers and directors of the Federal Steel Company had learned by experience that greater economies could be effected by integrating the plants and processes employed in the manufacture of steel and by increasing the diversity of steel products than they had anticipated when the Federal company was formed, or had yet been able to effect on account of the incompleteness of the integration of the Federal plant and the want of finishing mills for manufacturing a diversity of products; that they had also learned that foreign commerce in steel products could be much more successfully carried on by a company with sufficient capital and facilities to manufacture on a broad scale substantially all the finished products of steel and put them down in foreign markets in large quantities and at prices and in condition which could not be bettered by the great producers of other countries; that it was to effect such integration and diversification and the economies resulting therefrom, and to reach the principal markets of the United

States and of foreign countries and increase the trade in steel products therein, that the Steel Corporation was formed and its properties acquired; that if any of the companies acquired by the Steel Corporation had been organized for the purpose or with the effect of restraining trade or commerce, or if they constituted an attempt at monopoly or a monopolization of trade or commerce, neither the organizers of the Steel Corporation nor the said corporation had any knowledge or information thereof when the said companies were acquired; that said companies had been in existence for a number of years; that their organizations were known to the public and the officers of the United States Government and had never been challenged in any way; and that they were purchased by the Steel
108 Corporation in entire good faith, simply because the properties they owned were suitable for the purposes of the Steel Corporation, as hereinbefore stated.

29. They say that said purposes substantially as herein stated were made public at the time they were formed, in many speeches, circulars, newspaper articles, and official reports, as was every detail of the organization of the Steel Corporation; that the attention of the officers of the United States Government was particularly directed to said organization at the time it was effected and they have since examined into it again and again, sometimes with great fullness and at great length, but that never until within a few months, so far as these defendants are aware and as they believe, has any department or responsible officer of the Government criticised the said organization as being in either its purpose or effect a combination in restraint of trade or commerce or a monopoly or an attempt at monopoly; that in the meantime, in good faith and with great publicity, the Steel Corporation has pursued the objects and only the objects for which it was organized as then and hereinbefore declared; that full and accurate reports of all its operations have been made each and every year since it was organized, and said reports have been furnished to the Government and published to the world; that it has cheapened the production of steel to the consumer, has extended the home market for steel products, and has increased its foreign trade in said products by natural development from $8,000,000 in 1901 to $60,000,000 in 1911; that the foreign trade thus created by the Steel Corporation constitutes 18% of the total trade of the Steel Corporation and upwards of 90% of the total export trade of the United States in said products; that it has not suppressed competition, restrained trade, or effected a monopoly in any of the products of steel or attempted so to do; that the number of competitors of the Steel Corporation in the United States has largely increased since 1901 and that the output of said competitors has increased from approximately 40% in 1901 to upwards of 50% in 1911.

30. They say that not only has the Steel Corporation gone on for ten years without objection from the Government and in the belief that its organization and practices were in conformity to law, but

that in the meantime its stock has been sold several times over and the same is now held by a multitude of small investors in this and foreign countries who purchased the same in entire good faith, not doubting the legality either of its issue or of the corporation which issued it; that of these holders 35,230 are registered as
169 common stockholders and 67,113 as preferred; that of the holders of the common stock 31,063, or 88%, and of the preferred 62,199, or 92%, hold not more than 100 shares each. That much of the remainder of the stock has been issued and registered in the names of persons or firms who hold the same in trust for others and have issued certificates in evidence thereof; that the number of such certificate holders is probably fifty thousand, making the actual number of the beneficial owners of the stock about one hundred and fifty thousand; that among the registered holders of the corporation's stock are over twenty-two thousand of its employees, and that eight thousand of such employees in addition are subscribers therefor. And these defendants respectfully submit that after acquiescing in the organization of the Steel Corporation for so long a time and after rights of so sacred a character have grown up thereunder, it is now too late for the Government to insist in a court of equity that such organization was in itself and without regard to its after practices an illegal thing.

AS TO THE FORMATION OF THE UNITED STATES STEEL CORPORATION.

31. They admit the allegations in the fourth section of the petition respecting the official relation of the individual defendants herein to the constituent companies and to the Steel Corporation, except that they deny that Andrew Carnegie, James Gayley, William H. Moore, J. H. Moore, Daniel G. Reid, Percival Roberts, jr., John D. Rockefeller, John D. Rockefeller, jr., or P. A. B. Widener participated in the formation of said corporation. They admit the incorporation of the Steel Corporation at the time and with the capitalization alleged in the petition. They admit the allegations of the petition regarding the amount of stock issued by the Steel Corporation in payment for the stocks and bonds of its subsidiary corporations. They admit also the acquisition of the capital stock of the Bessemer Steamship Company and one-sixth of the capital stock of the Oliver Iron Mining Company and one-sixth of the stock of the Pittsburgh Steamship Company. They deny that the capitalization of the Steel Corporation was $600,000,000, or any amount, in excess of the value to it of the properties which it acquired. They deny that such capitalization exceeded the amount upon which its properties under normal conditions could earn a fair return. They deny the allegation that the earnings of the Steel Corporation have not
110 been commensurate with its actual capital, and they aver that such earnings have been entirely the legitimate fruits of the earning capacity of its properties. They deny that the earnings of said corporation have been to any extent the result of improper or

illegal power exerted over trade or commerce by the combination of capital represented thereby, or have been the result of any restraint imposed upon trade or commerce, or of any suppression of competition, or of any unlawful influence upon or control over prices, or of any improper advantage, either direct or indirect, derived from the cooperation of the individuals interested in said corporation. They deny that consumers, or the public at large, or any part of either have, through the alleged power created and exerted by said consolidation, been compelled to pay to the Steel Corporation "an unlawful tribute of many millions of dollars annually," or any other amount. They deny that any stock was issued by said corporation on an inflated basis.

32. They admit the allegations of the petition regarding the amount of stocks and bonds issued in exchange for the stocks and bonds of the subsidiary companies, the amount of cash and stocks delivered by the syndicate to said corporation, and the amount of stocks issued to said syndicate by the corporation, but they deny that the payments thus made to said syndicate were unreasonable or excessive or that they were procured by any undue or unfair means. They have no knowledge, other than hereinbefore stated, of the amount of stock issued by the subsidiary companies for promotion. They admit that the capitalization of the Steel Corporation exceeded the capitalization of the constituent companies by the amount stated in the petition. They deny the allegations of the petition respecting the "main prospect" for maintaining earnings of the Steel Corporation, and deny that any affiliations were brought about with powerful banking or transportation companies or that any direct or indirect control of trade thereby ensued, and deny that there was any fictitious basis for maintaining earnings of the Steel Corporation, and deny that any basis for maintaining earnings rested upon any unlawful combination. They admit that the value of the stock of the Steel Corporation depended largely upon its earnings, as the value of any property depends largely upon its yield, but they deny that any such value was largely or partially based upon "subjecting the public to conditions which could only continue by an abuse of the public," and deny the existence of any such conditions or
111 the continuance thereof or the existence or continuance of any such abuse. They admit the allegations of the petition with respect to the amount of bonds and stock issued for the bonds and stock of the Carnegie Company. They deny that the value of the tangible property of the Carnegie Company did not exceed $160,000,000. They admit that the books of the Carnegie Steel Company, Limited, showed that the net value of the tangible property of said limited partnership association on December 31, 1899, was as stated in the petition, but they say that said book value represented to a large extent the cost of acquisition of the various properties of said association and undervalued a large number of the assets thereof and included no value whatever for a large part of the assets of said

partnership association, or for the good will thereof. They admit that the same was a full, fair, and accurate valuation of certain assets of said partnership association, but deny that it was a full or fair or accurate valuation of all of the assets of said association. They further say that the Carnegie Company, when acquired by the Steel Corporation, was the owner, directly or indirectly, of many valuable properties never owned or controlled by the Carnegie Steel Company, Limited, and never included among the assets of said Carnegie Steel Company, Limited, and never valued as such upon its books. They deny the allegations of the petition regarding the option obtained by H. C. Frick upon the property and business of the said partnership association and the offer of any such option to J. P. Morgan. They say that said option covered only the interest (less than 54%) of Andrew Carnegie in Carnegie Steel Company, Limited, and H. C. Frick Coke Company, and that the properties mentioned in said option were far less in number and in value than the properties owned or controlled by the Carnegie Company when acquired by the Steel Corporation. They deny that J. P. Morgan, or his associates, purchased for the Steel Corporation substantially only the same property as that covered by said option, or that the purchase for the Steel Corporation was made for the purpose of eliminating Andrew Carnegie as a competitor.

AS TO THE CAPACITY AND EXTENT OF PROPERTIES ACQUIRED BY THE STEEL CORPORATION IN 1901.

33. They admit the allegations in the fifth section of the petition with regard to the capacity in ingots and rolled products of the works acquired by the Steel Corporation in 1901. They also
112 admit the allegations of the petition respecting the percentage of output of the Steel Corporation and the percentages of output of its competitors in the United States at that time. They say that no effort was made by the Steel Corporation to acquire or to control in any way the independent companies whose output is thus summarized in the petition; that the competition of companies so remaining independent has increased constantly since the organization of the Steel Corporation; and that the percentage of the output of the United States produced by the Steel Corporation has shrunk from year to year. They admit the allegations in Article V of the petition respecting the acquisition of control over certain railroads, ore-carrying vessels, ore reserves, and coal lands, and other miscellaneous properties. They admit also that the value of the ore thus acquired was very great. They deny that the valuation made in 1902 and referred to in the petition was an overestimate of the value of said ore under any conditions, and deny that the same was an artificial valuation produced by any power for monopoly or by any alleged restraint of trade or commerce.

AS TO THE ACQUISITION OF THE AMERICAN BRIDGE COMPANY.

34. They admit that this company was incorporated under the laws of New Jersey in April, 1900; that it acquired the properties and, in a few instances, the capital stocks of the various concerns named in the petition; and that it issued capital stock to the amount of $62,324,600. They admit that said concerns had theretofore competed with each other to a limited extent according to the location of their respective works and the character, class, and quality of their products, but they do not know the extent of such competition. They deny that said concerns controlled more than a majority of the bridge construction of the United States, and deny that the American Bridge Company acquired or exercised a monopoly of any kind or character. They deny that either the purpose or effect of such acquisitions by the American Bridge Company was to create a combination between the American Bridge Company and the companies whose properties or stocks were acquired, or their officers, agents, promoters, or underwriters in restraint of trade or commerce among the several States or with foreign nations, or that said acquisitions constituted an attempt by the said parties to monopolize or a monopolization of any part of such trade or commerce within
113 in the meaning or intent of the antitrust act. They say that the formation of the American Bridge Company and the acquisition of its properties was brought about and induced in part by a desire to create a large company for the fabrication and erection of structural-steel work, with a rolling mill which could furnish at least a substantial portion of the structural shapes required; in part by the fact that the great growth in the use of structural steel and the size and character of the structures built therewith required larger capital and greater skill than could be commanded by small concerns, on account of which the owners of such concerns were anxious to dispose of them; and in further part by the great advantages of having separate shops located in different sections of the country from which fabricated structural steel—the most difficult of all steel products to transport—could be readily and cheaply delivered to the place of erection. They say that the effect of the formation of the American Bridge Company and the acquisition of its plants was not to restrain trade or suppress competition, and that it left in full force a fair and wholesome competition which has ever since continued and increased until at the present time the competitors of the American Bridge Company produce 70% of the bridge and structural steel work fabricated in the United States. They deny that the American Bridge Company was a monopolistic combination or that its acquisition gave to the Steel Corporation any such power as is alleged in the petition. They admit that the bridge company was a large consumer of steel products and that its acquisition was of great value to the Steel Corporation in that it enabled said corporation to fabricate large quantities of structural steel produced at its mills and thus further complete the diversification of its output.

AS TO THE ACQUISITION OF LAKE SUPERIOR CONSOLIDATED IRON MINES

35. They admit that this company was incorporated under the laws of the State of New Jersey in 1893, with power to acquire and operate mines. They admit that it acquired the ownership of a large number of mining companies and properties in or near the Missabe Range in Minnesota, but they deny that such mines or properties were previously competitors. They say that such acquisition occurred at a time when ores in said range were of doubtful utility and
114 were extremely cheap, and when shipments thereof were insignificant as compared with the ore shipments from other important ranges. They say that the acquisition of said properties effected neither a restraint of trade nor a monopoly. They deny that the purpose or effect of said consolidation was to restrain trade or commerce or to monopolize any part of trade or commerce within the meaning of the antitrust act. They admit that the Lake Superior Conosolidated Iron Mines was acquired by the Steel Corporation shortly after the organization of said corporation, and that at that time the outstanding stock of the Lake Superior Consolidated Iron Mines was $29,424,594. They deny that the stock of said company was heavily watered and say that it was well worth to the Steel Corporation the amount paid therefor.

36. They admit the allegations of the petition with respect to the ownership of ore by the Lake Superior Consolidated Iron Mines, and also its ownership of the stock of the Duluth, Missabe & Northern Railway Company. They deny that the earnings of said railway company were excessive or that the control of said railway, with or without the Duluth & Iron Range Railroad Company, gave the corporation any improper, illegal, or unreasonable control of ore transportation.

AS TO THE ACQUISITION OF THE BESSEMER STEAMSHIP COMPANY.

37. They admit the allegations of the petition with respect to the acquisition of the Bessemer Steamship Company.

AS TO THE ACQUISITION OF THE SHELBY STEEL TUBE COMPANY.

38. They admit the allegations of the petition with respect to the incorporation of the Shelby Steel Tube Company (of Pennsylvania) and the Shelby Steel Tube Company (of New Jersey), and that the authorized capital stock of the latter was $15,000,000. They deny that the said Shelby Steel Tube Company (of New Jersey) had obtained a practical monopoly of seamless tubing through the means alleged in the petition, or that it constituted a combination in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1, or an attempt to monopolize or a monopolization of part of the trade or commerce among the several States or with foreign nations within the meaning of

section 2 of the antitrust act. They admit the acquisition of
115 the Shelby Steel Tube Company by the Steel Corporation in August, 1901, as alleged in the petition, but deny that the purpose of such acquisition was to suppress or prevent competition or to restrain trade. They say that the making of seamless tubes was a new industry in the United States in 1901; that there were several different processes employed in making said tubes, all covered by United States letters patent; that the National Tube Company had purchased one of said patents which had proved to be worthless; that it had then purchased another but had met with indifferent success in the attempt to manufacture thereunder; that the only patent which had proved to be successful was one owned by the Shelby Company and employed by it in the manufacture of its product of seamless tubes; that it was the desire of the Steel Corporation to manufacture seamless tubes for its customers, and in order to acquire the facilities for so doing it negotiated with the owners of the Shelby Company for the purchase of its plant and patents, which resulted in the acquisition of the stock of said company as stated in the petition. They deny that the National Tube Company was a competitor of the Shelby Company to any important extent, or that by said purchase the Steel Corporation established its supremacy in the manufacture of seamless tubing, except in so far as the same resulted from the acquisition of the only successful patent for making seamless tubes.

AS TO THE ACQUISITION OF THE OLIVER IRON MINING COMPANY, PITTSBURGH STEAMSHIP COMPANY, AND POCAHONTAS COAL LANDS.

39. They admit the allegations of the petition respecting the acquisition by the Steel Corporation of one-sixth interest in the Oliver Iron Mining Company, of one-sixth interest in the Pittsburgh Steamship Company, and of approximately 50,000 acres of coal land in the Pocahontas district.

AS TO THE ACQUISITION OF THE UNION STEEL COMPANY.

40. They admit the allegations in the petition with respect to the incorporation of the Union Steel Company, the location of its plant, and its acquisition of the Donora Mining Company, and of certain tracts of coal land in the Connellsville region of Pennsylvania. They admit that the Union Steel Company was a competitor of the Steel Corporation to a small extent in two or three of its products.

41. They admit the allegations in the petition respecting
116 the incorporation of the Sharon Steel Company and the location and character of its plant. The Sharon Steel Company, at the time it was acquired by the Steel Corporation, had but one blast furnace in operation and one partly constructed. They admit that it had certain ore property on the Missabe Range and had certain contracts with the Minnesota Iron Company for a supply of ore. They also

admit that it owned certain coal, limestone, and railroad properties. They deny that its operations were such as brought it into sharp competition with the Steel Corporation. On the contrary, they say that its production was small and its competition insignificant.

42. They admit the merger of the Union Steel Company and the Sharon Steel Company under the name of Union Steel Company in November, 1902, with a capitalization of $40,000,000 (not $50,000,000 as stated in the petition). They deny that such corporation had a pig iron capacity of 750,000 tons yearly and a steel ingot capacity of about 850,000 tons yearly, and say that the pig iron capacity of said corporation was 180,000 tons yearly and its steel ingot capacity 350,000 tons yearly. They deny knowledge of the existence of "intimations" of projected plans or "rumors" of railroads to be constructed, as alleged in the petition, or that the Steel Corporation was influenced by any such "intimations" or "rumors" in purchasing the Union Steel Company.

43. They admit that in December, 1902, the Steel Corporation executed its guaranty upon the issue of $45,000,000 of bonds of the Union Steel Company, receiving as compensation for such guaranty the stock of the Union Steel Company. These bonds were disposed of in the manner stated in the petition.

44. They deny that the price paid for the properties of the Union Steel Company and the Sharon Steel Company by the Steel Corporation was in excess of their cost to said Union and Sharon companies (except as to the ore, coal, and real estate of said companies which had appreciated largely in value between the time of their purchase and the time of their sale by the Union and Sharon companies). And they deny that said price so paid by the Steel Corporation was in excess of the actual value of said properties at the time they were taken over by the Steel Corporation. On the contrary, they say that the price paid by the Steel Corporation for said properties was the actual construction cost to the Union and Sharon companies of their plants and equipment, except that the ore and coal properties and real estate were paid for at their estimated value at the time of
117 purchase. They deny that said purchase by the Steel Corporation was prompted or brought about by a desire on the part of the Steel Corporation to eliminate the competition of the Union Steel Company or of any person or persons interested therein. They say that the stock of the Union Company was offered to the Steel Corporation at a price which was deemed to be fair and was purchased by the Steel Corporation for the legitimate extension of its business, and that the properties so acquired have been used for such purpose and no other.

45. They deny that the Union Steel Company and the Sharon Steel Company were competitors to any important extent, and they deny that their combination in the new Union Steel Company was in restraint of trade or commerce among the several States or with foreign countries, or a monopolization of any part of the trade or

commerce among the several States or with foreign countries within the meaning of the antitrust act.

AS TO THE ACQUISITION OF THE TROY STEEL PRODUCTS COMPANY.

46. They admit that the American Steel & Wire Company, one of the constituent companies of the corporation, acquired as of January 1, 1903, the entire issue of the capital stock and first-mortgage bonds of the Troy Steel Products Company, but they deny that said Troy Steel Products Company was a competitor, and say that, although it is true that said company owned three blast furnaces and steel works and a rolling mill in the State of New York, such blast furnaces, steel works, and rolling mill were, at the time of their purchase, and for many years prior thereto, had been inactive; that these works were then completely shut down and at no time since the organization of the American Steel & Wire Company had said Troy Steel Products Company produced any iron or steel whatever or been a competitor in any way. Said purchase was made for the purpose of enabling the American Steel & Wire Company to produce a supply of pig iron for its plant at Worcester, Massachusetts, from ores which it owned on Lake Champlain.

AS TO THE ACQUISITION OF THE CLAIRTON STEEL COMPANY.

47. They admit that in May, 1904, the Steel Corporation acquired the entire capital stock of the Clairton Steel Company, formerly owned by the Crucible Steel Company of America. They
118 admit that a contract to supply pig iron and billets to the Crucible Steel Company was coupled with said transaction. They say that for years prior to May, 1904, and since that time, certain of the subsidiary companies of the Steel Corporation have supplied pig iron and steel billets to the Crucible Steel Company on long-term contracts, but they deny that any of said contracts were or are in restraint of trade or commerce within the meaning of the antitrust act. They deny that the pig-iron capacity of the Clairton Steel Company was 475,000 tons per annum. They say that its capacity was in fact 420,000 tons per annum and its steel-ingot capacity 400,000 tons per annum. They admit that the Clairton Steel Company controlled certain quantities of ore through leasehold rights and subsidiary companies and contracts with various ore producers. They admit that the Clairton Steel Company had an equity worth approximately $200,000 in certain coal lands. They deny that the purpose or intention of the Steel Corporation in purchasing said plant was to restrain competition or to secure or strengthen any alleged monopolistic control of ore or coal; and they deny that the Steel Corporation had or has any monopolistic control of either ore or coal. They say that as a competitor of the Steel Corporation the Clairton Steel Company was of no importance whatever; that it was insolvent and in the hands of receivers; that it was owned by

the Crucible Steel Company, which had been endeavoring to sell it for a number of years without success; that it was offered to the Steel Corporation at a very low price and was purchased by the latter simply because it was cheap and could be utilized in its business at a profit.

AS TO THE GREAT NORTHERN ORE LEASE.

48. They admit that a lease was made by various companies controlled by persons connected with the Great Northern Railway Company to the Great Western Mining Company, a subsidiary of the Steel Corporation. They admit the allegations in the petition to be substantially correct in their recitals of certain of the provisions of said lease. They deny that the Steel Corporation entered into said lease on account of a desire to prevent the ore covered thereby from being mined or sold to independent producers or from being utilized to build up a competitor or competitors in the iron and steel business. They deny that the effect, or intended effect, or *sinal* lease
119 was to forestall competition or to increase the Steel Corporation's alleged "control of the ore resources of the country." They deny that the royalty agreed to be paid then appeared to be excessive or that it showed any desire on the part of the corporation "to prevent this ore from falling into the hands of competitors," or that the corporation had any such desire. They deny that the Steel Corporation had any "dominating position" in the steel industry or that by said lease it strengthened any such position.

49. They deny that the Steel Corporation controlled, at the time of the filing of the petition, 75% of the ore in the State of Minnesota. They say that after the surrender of said lease, as hereinafter stated, and at the time of the filing of the petition, the Steel Corporation controlled not more than 60% of the known and developed ores in the State of Minnesota. They say that prior to the surrender of said lease the Steel Corporation controlled less than 75% of the known and developed ores of the entire Lake Superior district, and that since said surrender it controls less than 57% of the same. They say that there remains at the present time in said district an ample supply of commercially available iron ore adequate for the present competitors of the Steel Corporation and for any future competitors, and that there are throughout the United States in many different localities vast supplies of iron ore which are not controlled by the Steel Corporation and which are available for use by its present and future competitors.

50. They deny that the purpose of said lease was either "to shut off competition" by preventing the establishment of a competitor or to secure an undue power over the steel business by controlling the sources of the supply of ore. They also deny that its effect was to restrain trade or commerce or that it constituted a monopolization or attempt to monopolize within the meaning of the antitrust act.

They say that the purpose of the Steel Corporation in taking said lease was simply to secure for itself an iron-ore reserve adequate to its legitimate business needs; that said lease was not sought by the Steel Corporation but was offered to it by the persons controlling the properties covered thereby; that there was a division of opinion among the directors of the Steel Corporation as to whether or not said ores were needed by the corporation, and also as to whether or not the royalties asked were reasonable; that after much consideration it was decided by said directors to accept said offer, provided an option could be obtained which would entitle the corporation
120 to surrender the lease in 1915 should it desire so to do, it being thought that by that time a better judgment could be formed upon both of said questions; that said option was conceded by the proposers of the lease, and that thereupon the lease was accepted. They say that in the exercise of the option so given and in pursuance of its terms the finance committee of the Steel Corporation on October 17, 1911, and the board of directors on October 26, 1911, resolved to cancel and surrender said lease on the first day of January, 1915, and thereupon caused notice to that effect to be given to the lessors. They admit that under the terms of said lease such cancellation can not, and under said notice will not, take effect before January 1, 1915, and that there is no limitation in the lease upon the amount of ore that can in the meantime be taken out by the Steel Corporation. They say, however, that it is physically impossible to mine any quantity of ore from said leased lands in excess of the minimum specified in said lease during the years 1912, 1913, and 1914, and that it is doubtful whether during those years even the full amount of said minimum can be mined.

AS TO THE ACQUISITION OF THE TENNESSEE COAL, IRON & RAILROAD COMPANY.

51. They admit the acquisition in 1907 by the Steel Corporation of a large majority of the capital stock of the Tennessee Coal, Iron & Railroad Company, hereinafter, as in the petition, called the "Tennessee Company." They admit that the properties of said company were located mainly in Alabama and Tennessee, and that it could manufacture pig iron in the Birmingham district of Alabama at a slightly less cost than the same could be manufactured in other parts of the United States. They say, however, that such advantage was not peculiar to the Tennessee Company, and that certain of its competitors in the Birmingham district were able to produce pig iron at a lower cost than the Tennessee Company. They say that the low cost of production in the Birmingham district was more than offset by the absence of a sufficient market for pig iron in the South and by the high freight rates prevailing to points where such pig iron was saleable, and that if such freight rates were added the cost of production and delivery would exceed that of most of the northern furnaces. They deny that the known commercially avail-

able coal and iron deposits of the United States have been
121 almost entirely acquired by manufacturing companies for the purpose of development. They say that approximately one-half of the iron ores of the United States now commercially available are owned by private individuals and are for sale to any manufacturing companies or others desiring to purchase the same. They deny that the Tennessee Company was a strong present or probable future competitor of the Steel Corporation at the time of its acquisition by the latter. They say that the production of steel by said company at the time of its acquisition was less than 1.7% of the total output of the United States; that its growth had been slow and the growth of the southern demand for its products had likewise been slow, and that as a competitor it was insignificant compared with many northern independent companies.

52. They admit that most of the steel rails of the United States had theretofore been made of Bessemer steel, for which the ores of the Tennessee Company were not suitable. They admit that an attempt had been made to introduce into the market open-hearth steel rails, which can be made from any merchantable ore, including that of the Tennessee Company. They admit that in 1907 certain railroad companies in which E. H. Harriman was interested had placed an order with the Tennessee Company for about 157,500 tons of open-hearth steel rails at $29 per ton or $1 more than the prevailing price of Bessemer rails; but they deny that this order at once put the Tennessee Company into the position of an actual competitor of the Steel Corporation and deny that as a competitor it was "of great potentiality." They say that the cost to the Tennessee Company of producing the rails to fill said order was over $30 per ton and that the first shipments of rails under said order by the Tennessee Company were so defective that the Steel Corporation, after it acquired the stock of said company, was compelled to replace a large part of the same.

53. They further admit that in response to certain suggestions from the controlling owners of the stock of the Tennessee Company its properties were, at various times prior to 1907, examined by representatives of the Steel Corporation, some of whom reported favorably and some unfavorably thereon. They say that upon the receipt of such reports the Steel Corporation had refused to consider the purchase of the Tennessee Company or of its properties. They admit the allegations of the petition with respect to the control of the stock of the Tennessee Company by a syndicate and the expenditures made by said company in an effort to modernize its plant and increase its capacity; but they say that the amount provided by
122 said syndicate for said purposes was entirely inadequate. They admit the participation of Grant B. Schley in said syndicate, the large indebtedness of Moore & Schley in New York and elsewhere, and the pledge of a large part of the Tennessee Company's stock to secure such indebtedness.

54. They admit the occurrence of a financial panic in October, 1907, and the criticism to which the stock of the Tennessee Company was subjected. They admit that owing to the circumstances stated in the petition and other circumstances not therein stated the difficulties of Moore & Schley increased during the panic and that their failure became imminent; that it was generally feared by bankers and financiers that the failure of Moore & Schley would precipitate a general crisis; and that J. P. Morgan and others exerted themselves to prevent the suspension of said firm. They deny that the Steel Corporation took advantage of the said situation to acquire the control of the Tennessee Company. They admit that the officers of the Steel Corporation discussed with said Schley and his representatives the purchase of the stock of the Tennessee Company, but they say that this was at Schley's request, and that said officers refused to consider the matter of acquiring said stock until it was represented to them by said bankers and financiers and also by the representatives and friends of said Schley that nothing short of said purchase would save Moore & Schley from immediate failure or would avert the financial crisis then dreaded. They deny that nothing less than the control of the Tennessee Company was considered by the Steel Corporation or that it was represented to said Schley by said corporation or on its behalf that in no other way could relief be brought to him or his firm. On the contrary, they say that the Steel Corporation offered to loan Moore & Schley five million dollars to save them from failure and that said Schley replied that such a loan would do him no good. The proposition to purchase a majority of the stock of the Tennessee Company came from said Schley and was not induced or contrived by any act of the Steel Corporation, its officers, directors, or friends, and after being rejected by the officers of the Steel Corporation it was again taken up on account, and only on account, of the representations made on behalf of said Schley, that nothing but such purchase would save Moore & Schley from failure,
and the urgings of bankers and financiers that the failure of
123 Moore & Schley might so extend the panic as to involve the
business of the Steel Corporation and every other business interest of the country in incalculable loss and injury.

55. They admit that, being in doubt as to the attitude of the Government with respect to the said proposed purchase, Messrs. Gary and Frick, of the finance committee of the Steel Corporation, went to see the President of the United States on the 4th of November, 1907, and laid the situation before him. They deny that Messrs. Gary and Frick failed to disclose to the President all the facts bearing upon the proposed purchase or the occasion for making the same which were pertinent thereto, or that they made any misstatement or misleading statement of any sort or character to the President regarding the financial situation in New York or regarding the wishes or attitude of themselves or the Steel Corporation with respect to the proposed purchase. They deny that the President was not made fully acquainted with the state of affairs in New York relevant to

the transaction, as such affairs then existed. They admit that the President stated that he did not feel it to be his duty to prevent the proposed transaction, and say that in reliance upon said statement Messrs. Gary and Frick returned to New York, whereupon the purchase was completed. They deny that in the purchase of the Tennessee Company there was a desire or purpose to remove a competitor, either present or future. They deny that the Steel Corporation thus strengthened its alleged control of the iron-ore supply of the country or that it has any such control, or that it thus strengthened its predominating position in the iron and steel trade of the South or that it has such predominating position, or that it eliminated a competitor, or that it unlawfully acquired any power, or that any such alleged power is a menace to the welfare of the country and ought to be destroyed.

AS TO POSITION ACHIEVED BY THE CORPORATION THROUGH THE OWNERSHIP OR CONTROL OF COAL, COKE, IRON ORE, AND TRANSPORTATION.

56. Answering the allegations in the petition to the effect that the control of certain railroads over which ore is carried gives the Steel Corporation a "commanding position" or an "advantage" over its competitors, they say that they are advised by counsel that the attainment of a commanding position or an advantage over competitors, not improperly acquired, constitutes no offense under
124 the laws of the United States, and they therefore submit that the allegations of the petition in this behalf are irrelevant and immaterial. Further answering said allegations, however, they admit that the Steel Corporation and certain of its subsidiary companies have made investments in the stocks of certain railway and steamship companies, and through such stock ownership control said railroad and steamship lines, but they say that such investments have been made and continued openly and to the knowledge of the Government. They deny that any or all of such investments have given the Steel Corporation a commanding position or illegal advantage over its competitors. They deny that any of its competitors are dependent for their ore upon the transportation furnished by the railroads controlled by the Steel Corporation. They deny that by any alleged power acquired by means of the ownership or control of any of its railroads a burden is imposed upon competitors, or that a restraint is thereby exercised upon trade or commerce between the States.

57. They admit the allegations of the petition with respect to the dividends paid by the Duluth & Iron Range Railroad Company and by the Duluth, Missabe & Northern Railway Company, but say that the capital stock upon which said dividends were based represents only a small part of the investment in said railroads. They say that said railroads were not built by independent capitalists nor for general transportation purposes, but were built by the owners of the

Minnesota ore properties now controlled by the Steel Corporation as a necessary adjunct to the development of said properties and for use in connection therewith and have always been so held; that outside capital could not be obtained for the construction of said railroads or either of them because of the extremely hazardous character of the investment; that for a long time said railroads neither earned nor paid any dividend whatever; and that the business of said railroads is largely confined to the transportation of ore to the Lakes and coal to the mines and would not pay the cost of operations in case of the termination or suspension of such transportation. They further say that upwards of 75% of the business of said railroads is supplied by the Steel Corporation through its subsidiary companies, and that, although said railroads were built for the purpose of serving the mines now owned by the Steel Corporation, they have always served all the shippers of ore upon exactly the same terms without any discrimination whatever in favor of the Steel
125 Corporation or against any other shipper either in rates charged or service rendered, and that prior to the filing of the petition each of said railroads made a substantial reduction in its rates for the carriage of ore from the Missabe and Vermilion Ranges to ports on Lake Superior, which reduction was followed, after the filing of the petition, by a similar reduction in the rates of the competing lines of railway, in which the Steel Corporation is not interested. They further say that although the investments of the Steel Corporation and of its subsidiary companies in certain ore carrying railways have been a matter of public information ever since the formation of the Steel Corporation, no complaint as to rates charged or service rendered has at any time been made by any person against any of said railways or against said Steel Corporation, either to the Interstate Commerce Commission or to any of the railroad commissions of the various States in which such railways are situated.

58. They deny that through the ownership or control of the Elgin, Joliet & Eastern Railway Company, or of the Bessemer & Lake Erie Railroad Company, or of the Chicago, Lake Shore & Eastern Railway Company, or of the Connellsville & Monongahela Railway Company, or of any railway company in which the Tennessee company is interested, any unfair, improper, or illegal advantage over competitors has been acquired.

59. They deny that at or since its organization the Steel Corporation has directly or indirectly controlled the bulk of the best coking coal lands in the Connellsville region, or that it has thereby acquired a great or any advantage over its competitors. They admit that through its subsidiary companies the Steel Corporation controls a reasonable and proper supply of the coking coal of the Connellsville region, and that in 1911 coking coal properties were purchased from the Pittsburgh Coal Company. They say that after such purchase the Steel Corporation controlled, directly or indirectly, less than 15% of the Connellsville coking coal of Fayette, Washington, Westmoreland, and Greene Counties, in Pennsylvania. They deny the

innuendo that "through absorption of raw material" in the purchase of the Tennessee company or otherwise the Steel Corporation has excluded any of its competitors from ample supplies of raw material, and say that the Steel Corporation owns much less than half of the raw materials of the Birmingham district.

60. They deny that the holdings of the Steel Corporation of commercially available ores exceed those of all other iron and steel
126 interests combined. They say that of the presently available ores of the United States the Steel Corporation owns or controls less than 40%, while in the ores of Cuba and other foreign countries, upon which the cost of transportation is sufficiently low to enable such ores to compete with domestic ores, the interests of the Steel Corporation are less than 10%. They admit that at the present time the ores of the Lake Superior region are very important in the steel industry, but they say that an abundance of commercially available ore is obtainable at many other points in the United States. They deny that of the ores in the State of Minnesota the Steel Corporation controlled at the time of the filing of the petition not less than 75%, and say that after the surrender of the Great Northern ore lease, and before the filing of the petition, the Steel Corporation controlled approximately only 60% of the ores in the State of Minnesota. They deny that the Steel Corporation controls or has controlled 75% of the ore in the State of Michigan, and aver that its control of Michigan ore at the time of the filing of the petition was less than 32%. They further say that in the States of New York, New Jersey, Pennsylvania, Virginia, Texas, and Utah, where vast bodies of ores now commercially available are deposited, the interest of the Steel Corporation constitutes less than 1%—its ore holdings in those States being altogether insignificant—and that of the vast deposits of ores in the Birmingham district of Alabama, the Steel Corporation controls less than 30%. They deny that in acquiring any or all of said ores the Steel Corporation has pursued the policy of securing the ore supply of the country far in advance of any of its needs in the near future, or that it has largely forestalled or intended or attempted to forestall competition by "shutting off" the sources upon which it could be successfully based; and they deny further that such sources have been "shut off." They deny the innuendo of the petition that said Steel Corporation has "cornered" the ore reserves of the country, or that it has attempted to do so, or that it has forestalled or attempted to forestall the rise of competition. They deny that either through control of ore or of the means of transportation of ore, or both, or in any other manner, the Steel Corporation has controlled the iron or steel market or has enforced its plans or wishes upon its competitors, or that it has controlled market prices, or that it has restrained trade or commerce among the States or with foreign countries or that it has acquired the power so to do; and they deny that the Steel Corporation has done
127 any or all of these things continuously or otherwise in contravention of the antitrust act.

AS TO EXTENSIONS AND EARNINGS.

61. They deny that since its organization the Steel Corporation, by means of its earnings or otherwise, has possessed or exercised any unlawful power or any control or "dominancy" over the trade in iron and steel. They deny that the earnings of the Steel Corporation have been made possible through any power or control over the trade in iron and steel or have been largely or wrongfully or otherwise enhanced by any unlawful combination or any power or control exerted by it. They admit that since its organization the Steel Corporation has made large investments of its earnings in the enlargement of its old plants and the construction of new ones. They admit that the investment of earnings in the enlargement and construction of plants, the purchase of new properties, the increase of working assets, and the establishment of proper depreciation allowances and sinking funds has been from $400,000,000 to $450,000,000; but they deny that more than $350,000,000 of such investment has been made from net earnings or profits. They admit that the net earnings of the Steel Corporation from April 1, 1901, to December 31, 1910, aggregated $980,045,838.80, and that this was an average of about seven per cent. per annum upon the total capitalization of the company. They deny that the earnings amounted to an average approximating twelve per cent. per annum upon the actual average investment in the properties, and deny that in estimating such actual investment there are included values which arose from additions made out of earnings which were enhanced by any unlawful combination, power, or control.

AS TO CHANGES IN THE PROPERTIES OF VARIOUS CONSTITUENT COMPANIES.

62. They admit the merger on March 26, 1903, of the Carnegie Company (of New Jersey), the National Steel Company, and the American Steel Hoop Company, as alleged in the petition. They admit that the Carnegie Steel Company—a Pennsylvania corporation controlled by the Carnegie Company (of New Jersey)—and the National Steel Company were both large producers of pig iron and steel billets and other heavy steel products, and that except for their common control by the Steel Corporation said companies,
128 as to these products, would to some extent have been competitors. They admit further that the said Carnegie Steel Company (of Pennsylvania) produced a small amount of merchant bars similar to those produced by the American Steel Hoop Company, but they say that the competition between the Carnegie Steel Company and American Steel Hoop Company, when independently controlled, was insignificant. They admit the transfer of various coke properties to the H. C. Frick Coke Company, the sale by the American Tin Plate Company to the American Sheet Steel Company, and the change in the name of the latter alleged in the petition. They deny that said sale by the American Tin Plate Company to

the American Sheet Steel Company brought together under one consolidation of subordinate companies concerns which would have been competitors except for the common control exercised over them by the Steel Corporation; and they say that said Sheet Steel Company and Tin Plate Company never were and never could have been competitors, for the reason that the products of the companies were dissimilar and noncompetitive. They admit that the tube plant of the Lorain Steel Company at Lorain, Ohio, was placed under the management of the National Tube Company, but say that the Steel Corporation caused said plant to be constructed. They admit that the various ore properties of the Steel Corporation were in 1904 placed under the management of the Oliver Iron Mining Company. They admit also the allegation in the petition with regard to the lease of properties of the Union Steel Company to the Carnegie Steel Company and the American Steel & Wire Company. They say that all of said transfers were made for purely administrative and economical purposes and in no way tended to create any restraint of trade or commerce or any monopoly thereof, nor were they intended so to do.

63. They admit the allegations in Article IX of the petition with respect to the amount of the outstanding capital stocks of the subsidiary companies and the amount thereof owned by the Steel Corporation. They admit the allegations in Article IX of the petition with respect to the capital, surplus, stock ownership, and stock holdings of and in the Carnegie Steel Company, the Federal Steel Company, the American Steel & Wire Company of New Jersey, the National Tube Company, the American Sheet & Tin Plate Company, the American Bridge Company, the Lake Superior Consolidated Iron Mines, the Union Steel Company, the Clairton Steel Company, and the Tennessee Coal, Iron & Railroad Company.

129 AS TO CONSOLIDATIONS.

64. They admit that many but not all of the constituent companies of the Steel Corporation and their subsidiaries were engaged in manufacturing or mining for trade and commerce among the States and with foreign nations prior to the acquisitions and consolidations in the petition referred to and that their products were to a large extent transported out of the States in which they were produced and sold in other States and in foreign countries. They also admit that such businesses have similarly been continued since the organization of the Steel Corporation. They deny that the Steel Corporation or the several companies which were acquired by it in 1901, or their officers or agents, or the individual defendants herein, in or by what they did in connection with the organization or operation of any of said corporations, entered into any agreement or combination in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1, or a combi-

nation to monopolize any part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act. They also deny that any such agreement or combination in restraint of trade or commerce or any combination to monopolize a part of such trade or commerce was entered into, either in respect of or in connection with the action of the corporation, or of any of the individual defendants, or of any of the companies named in the petition, in the acquisition or the control of the American Bridge Company, Lake Superior Consolidated Iron Mines, Shelby Steel Tube Company, Union Steel Company, Troy Steel Products Company, Clairton Steel Company, Tennesse Coal, Iron & Railroad Company, or the iron ores of the Great Northern interests.

65. They deny that the business of the Steel Corporation and its controlled companies is conducted as a part of any plan or combination by which they have partially destroyed competition in trade or commerce among the States or with foreign nations, or that they have, by their strength or otherwise, acquired a great or unwholesome influence, or any influence, over competitors whereby such competitors are brought into harmonious action with the Steel Corporation in restricting competition or in restraining trade or commerce. On the contrary, they say that continuously since the organiza-
130 tion of the Steel Corporation it has been the declared and consistently followed policy of said corporation to encourage rather than to restrain the utmost freedom of trade and commerce, to refrain from acts of oppression or injustice to the competitors of said corporation, to abstain from efforts to harrass such competitors or to exclude them from their fair share of interstate or foreign commerce, and to take no steps intended or calculated to prevent the growth of other and further competition, and that such policy has been well known throughout the industry and to the public generally and the Government since the organization of the Steel Corporation. They say that without check or embarrassment from said corporation competition in the iron and steel business in the United States has constantly increased since the organization of said corporation; that throughout the whole industry freedom and growth of competition has existed; that the vast increase in capacity made by the companies controlled by the Steel Corporation has been insufficient to maintain its proportion of the iron and steel business of the country; that its average output has decreased from approximately sixty per cent in 1901 to less than fifty per cent in 1911; and that this has occurred notwithstanding the great increase in the Steel Corporation's foreign trade as hereinbefore stated, and notwithstanding the fact that this foreign trade which the Steel Corporation has created amounts to upwards of 90% of the total foreign trade of the country in steel products.

AS TO POOLS AND AGREEMENTS.

66. They deny that the Steel Corporation, through its holdings of stock in its subsidiary companies, brought about any combined or other control of the market.

AS TO THE PLATE ASSOCIATION.

67. Upon information and belief they admit that prior to the formation of the Steel Corporation and in the year 1900 certain manufacturers of steel plate met and formed an association and caused to be prepared a written agreement, a copy of which is annexed to the petition as Exhibit A. They deny that said agreement was signed by any of the proposed parties thereto, and they say that the same was rejected and destroyed without signature or approval by any of them. As to the allegation of the petitioner that

an effort was made to suppress said draft of agreement be-
131 cause it appeared that the same might be damaging evidence
and that so far as the defendants in this case knew all copies

were gathered in and burned, they say that, with the exception of the then president of the Carnegie Company, the individual defendants in this case never heard of said draft of agreement until the summer of 1911. They say, upon information and belief, that said agreement was rejected and destroyed at the time it was presented for execution because it was disapproved of by some or all of the proposed parties thereto. They admit, upon information and belief, that the members of said association, or some of them, met together from time to time after the destruction of said proposed written agreement and reached understandings as to some particulars of their future action. How far, if at all, they followed the terms of said proposed agreement these defendants are not informed. They deny that said meetings continued down to the early part of 1905, and say, upon information and belief, that they ceased altogether in the year 1904, and that they had practically no effect upon prices or output for two or three years before that time. They admit that the Carnegie Steel Company, the Illinois Steel Company, and the American Steel & Wire Company were members of said association at the time it was formed, but say, upon information and belief, that they ceased to participate or take an active part therein for some time before its dissolution. They deny that the defendant Elbert H. Gary had any knowledge or information of the formation of said association or of the participation therein of the said Carnegie Steel Company, Illinois Steel Company, and American Steel & Wire Company at any time during the existence of said association. They deny also that said association effected a restraint of trade or the maintenance of prices during that period of its existence which followed the organization of the Steel Corporation. They deny also that since the year 1904 the Carnegie Steel Company, the Illinois

Steel Company, the American Steel & Wire Company, or any other constituent of the Steel Corporation has entered into any understanding with other makers of steel plates as to the maintenance of prices or the apportionment of sales, or that they have thereby or otherwise restrained competition, maintained prices, or restrained trade and commerce in contravention of the antitrust act, or that any such result has been brought about by the cohesive power or overmastering influence exerted by the Steel Corporation, or that said corporation had or has any such power or influence.

132 AS TO THE STRUCTURAL STEEL ASSOCIATION.

68. Upon information and belief, they admit that in 1897 certain makers of structural steel entered into an agreement between themselves, a copy of which is annexed to the petition as Exhibit B. They deny that said agreement was operated under until 1905, and say, upon information and belief, that said association was abandoned altogether in the year 1904 and that it had practically no effect upon prices or output for two or three years before that time. They deny that said association effected a restraint of trade or the maintenance of prices during that period of its existence which followed the organization of the Steel Corporation. They deny also that since the year 1904 the Carnegie Steel Company or any other constituent of the Steel Corporation has entered into any understandings with other makers of structural steel as to the maintenance of prices or the apportionment of sales, or that thereby or otherwise they have restrained competition, maintained prices or restrained trade and commerce in contravention of the anti-trust act, or that any such result has been brought about by the "cohesive power" or "overmastering influence" exerted by the Steel Corporation.

AS TO THE ALLEGED STEEL RAIL COMBINATION.

69. They admit that the prices of steel rails fluctuated widely during the period between 1867 and 1900, and that such fluctuation was occasioned more or less by the existence of pools and combinations among the manufacturers or some of them. They say, however, that between 1891 and 1901 the price of steel rails averaged approximately $28 per ton. They admit that Bessemer rails have sold at about $28 per ton ever since the Steel Corporation was formed. They deny that said price was fixed by the Steel Corporation or was brought about or maintained through any dominating influence or power over the steel industry exercised by the Steel Corporation. They say that the quality of steel rails has greatly improved and the cost of producing the same has steadily increased since the Steel Corporation was formed, and that the price of $28 per ton for such rails has been maintained simply by the refusal of the Steel Corporation and some of the other manufacturers to

advance the same. They deny the allegation of the petition with respect to the existence of agreements or understanding affecting the prices or output of steel rails throughout the period since 1901 to which the Steel Corporation or its subsidiaries were parties. They admit that some of the subsidiary companies of the Steel Corporation were parties to tacit understandings relating to steel rails before the Steel Corporation was formed and continued the same more or less until 1904. They say that the same were abandoned altogether in the year 1904, and that such relations had practically no effect on prices or output and effected no restraint of trade or commerce during that period of their existence which followed the organization of the Steel Corporation.

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AS TO THE WIRE ROPE ASSOCIATION, THE RUBBER COVERED WIRE ASSOCIATION, THE HORSE-SHOE MANUFACTURERS' ASSOCIATION, THE UNDERGROUND POWER CABLE ASSOCIATION, THE WEATHER-PROOF AND MAGNET WIRE ASSOCIATION, THE LEAD ENCASED RUBBER CABLE ASSOCIATION, AND THE BARE COPPER WIRE ASSOCIATION.

70. They admit the formation in July, 1908, of the Wire Rope Association, the Rubber Covered Wire Association, the Horse-Shoe Manufacturers' Association, the Underground Power Cable Association, the Weather-Proof and Magnet Wire Association, the Lead Encased Rubber Cable Association, and the Bare Copper Wire Association as set forth in the petition, and that the American Steel & Wire Company, through its general sales agent, was a member of each of said associations and a party to the agreements under which they, respectively, operated down to and until the early part of the year 1909. They deny that the American Steel & Wire Company has at all times since 1901 been controlled by the Steel Corporation, or that in becoming a member of said associations or in entering into said agreements or in its conduct in pursuance of the same it acted under the authority or with the sanction of said corporation. They say that the business of the American Steel & Wire Company is conducted by its own officers who are elected by its own directors, and that the results only and not the details of such business are reported to the Steel Corporation. They say that neither the Steel Corporation nor its officers had any knowledge or information as to the existence of said associations or the connection of the American Steel & Wire Company therewith until the early part of the year 1909, and that upon the discovery of such connection at that time the officers of the Steel Corporation insisted upon the immediate withdrawal of the American Steel & Wire Company therefrom, and that said American Steel & Wire Company did thereupon withdraw from said associations and thereafter had no connection with the same or with any of them. They further deny that any other agreements similar to those last above referred to were entered into at any time by the American Steel & Wire Company

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with any of its competitors with the knowledge, consent, approval, or acquiescence of the Steel Corporation.

AS TO OTHER POOLS AND AGREEMENTS.

71. They deny the allegation of the petition that in addition to the pools and agreements specifically referred to therein, other constituent companies of the Steel Corporation, engaged in making and selling other lines of products, or the Steel Corporation, has or have since 1901 from time to time entered into pools or agreements with concerns which were their competitors by which competition was suppressed, prices agreed upon or maintained, or commerce or trade among the States or with foreigns nations restrained.

AS TO "INTERLOCKING DIRECTORATES."

72. Answering the allegations in Article XII of the petition, these defendants admit that the various directors of the Steel Corporation therein mentioned are directors in other companies, as stated in the petition. They deny that under the policy of the Steel Corporation or otherwise there has grown up any community of interest among the steel makers and others, or any power to influence action to a common purpose, or that there has come into existence any system of "interlacing of directorates" among said interests. They say that the stockholders of the Steel Corporation and of each and every other corporation mentioned in Article XII of the petition elect their directors with a view to the fitness of such directors for the service of the corporation to which they are elected and without regard to their membership on any other board. And they say that no person has ever been elected to the directorate of the Steel Corporation on account of his connection with any other corporation in any capacity whatever.

They deny that through its directors the Steel Corporation is "in touch" with any or all of the large railroad and steamship companies of the United States, or with the Standard Oil Company,
135 Pullman Company, International Harvester Company, or Western Union Telegraph Company, or with any bank or trust company in any such manner as to create any possibility of the exercise of any power or control over those companies or over trade or commerce. They deny that the Steel Corporation has through such "interlocking directorates," or in any other manner, acquired or attempted to acquire improper or illegal power or control over the consumers of its products, or over trade or commerce in general; and they deny that any power or control has been acquired or exercised by the Steel Corporation through the "grasp of its tenacles," or otherwise, upon either consumers, competitors, or capital.

AS TO COMBINATIONS OTHER THAN WRITTEN POOLS AND AGREEMENTS.

73. They deny that under the auspices of the Steel Corporation the steel and iron interests, or any other interests, naturally com-

petitive or otherwise, were "harmonized" by any "network of correlations," or that they were "overshadowed or dominated by the power of the corporation"; they deny that the Steel Corporation has any "alliances" of "irresistible strength" or of any kind; and they deny the allegation that the said "interests" "come together from time to time, find out the views of the corporation in respect of prices and output, and all that hitherto was affected by pools and formal agreements, reach a common understanding and purpose, and proceed to carry them out." They admit that representatives of a large proportion of the steel manufacturing interests in the United States have met together from time to time since November 20th, 1907, but they deny that said meetings were brought about by the influences, or that they were held for the purposes or that they accomplished the results alleged in the petition. They deny also that said meetings, or any of them, or the manufacturers assembled thereat, went further than the mutual exchange of information and of views with regard to the business situation, or that what they accomplished shows any great or dangerous power achieved by the Steel Corporation either through unlawful combination exercised over the trade and commerce of the country or otherwise. They deny further that concerted action was taken by said manufacturers at or after said meetings to prevent either fluctuations in prices or competition or that any action taken at said meetings has produced any such result. They say that the first of said meetings was held on November 20th, 1907; that the country was then suffering
136 from a severe financial panic and that the steel manufacturers came together for mutual counsel and advice as to the best means of averting disastrous consequences to their industry, such as had followed nearly every panic that had heretofore occurred in this country. They say that said meeting was largely attended; that there was a full exchange of information as to the condition of the various businesses represented and a frank interchange of views with regard to the business situation; that similar meetings with similar objects followed, but that neither then nor at any other time was there any attempt to reach any agreement or understanding with respect either to output or prices, nor was anything said or done which was calculated or intended to suppress competition or restrain trade, and there never was nor is there now any such agreement or understanding. They say that said meetings resulted in allaying much of the suspicion and distrust which previously had existed among the steel manufacturers with respect to the purposes and practices of their competitors and in elevating the standard of ethics which had previously prevailed among them; that these meetings did not prevent frequent changes and fluctuations in prices or competition in steel products, but they did tend to prevent the misunderstandings and unfair practices out of which had grown nearly all the trade wars of the past.

74. They admit that a meeting of steel and iron manufacturers was held on January 11th, 1911, and that there were present at

said meeting, among others, gentlemen connected in one way or another with most of the iron and steel manufacturing concerns in the United States. They admit also that at the time of said meeting there was not in this country a demand for more than 50% of the iron and steel which could be produced by the plants then existing. They deny that the purpose of said meeting was to consider the question of maintaining or changing the prices of the commodities in which those who attended dealt, or that it was so understood by them. It is true that at said meeting and at some of the other meetings referred to in the petition, there were individual expressions of opinion that prices ought to be maintained, but they deny that at any of said meetings or at any other time or place there was any agreement or understanding that prices should be maintained, or that such an understanding being reached individual declarations were made of intention to follow the "movement." They deny that those who attended the said meeting of January 11th, 1911, understood that by virtue of what occurred thereat they were in honor bound to maintain prices or that in fact they did
137 maintain prices either in pursuance of what occurred then or otherwise. They deny that by the said meetings and interchanges of information each manufacturer who participated became bound in honor not to get the trade of the others, or that by concerted action or otherwise any one of them acquired participation in the affairs of any other. And they deny that those present understood or acted upon the understanding that a statement as to what one would do as to prices or output was a promise or pledge upon honor to the others; and they deny that any statement was made as to what anyone would do. They also deny that an understanding was reached or carried out that no one should compete for recognized business of the others. They say that on the contrary the chairman of the board of directors of the Steel Corporation at his opening address at the meeting of January 11th, 1911, declared his position as follows:

"I would not make an agreement under any circumstances to maintain prices or to do or refrain from doing anything which would prevent me from being absolutely independent from all others in every respect concerning every department of our corporation or in regard to the conduct of our business, and I would not ask for any different conclusion from others. As I said before, the very fact that it is understood we have this right, that we are independent, that we can go out of this room and do exactly as we please without violating any agreement or understanding, and that all must depend upon the belief that as honorable men we are desirous of conducting ourselves and our business in such a way as not to injure our neighbors, must make each of us more careful in regard to the conduct of our affairs; and there will be no secrecy in what we do"; that a similar declaration was made by the chairman of the board of directors of the Steel Corporation at the meeting of November 20th, 1907, and at some other of said meetings, and that every manu-

facturer who attended said meetings took and maintained a like position.

75. They deny that said meeting of January 11th, 1911, or any other meeting of steel manufacturers brought about the maintenance of prices, and say that during the whole period covered by said meetings prices constantly changed and fluctuated, as they have done down to the present time. They admit that at several of said
138 meetings facts were presented and arguments advanced tending to show the reasonableness of existing prices and the unwisdom of changing them, but they say that no attempt was made then or at any other time to commit any manufacturer on the subject or to influence his action in that regard except by reasonable discussion of conditions, and that everyone was left entirely free to decide for himself as to whether or not in his own business prices should be maintained and as to how, when, where, and to what extent he should compete for business.

76. They deny that in his address at the meeting of January 11th, 1911, the chief executive of the Steel Corporation admonished the manufacturers present in the language or to the effect alleged in the petition and beg leave to refer to said address, which was printed in full and widely circulated at the time. They say that the admonition of the chairman carried no reference whatever either to prices or to output, but had entirely to do with the principles of fair and open trading, which it had been one of the chief objects of said meeting to inculcate.

77. They admit that said meetings brought about among the steel and iron manufacturers a realization of the fact that they were "traveling together" and that they ought to help and not to injure one another, and they say that the fraternal feeling so developed has been of inestimable benefit to the iron and steel industry and to the public at large; that owing thereto the steel and iron business and the business of the country generally has been steadied; that the weaker concerns in the steel and iron business have been able to continue therein; that the wages of employees in said business have been maintained; and that for the first time in its history the steel industry has passed through a severe financial panic without a single failure. They say that in this sense and in this sense only is the statement of the petition true that said meetings have accomplished more than the old pools and agreements, and they deny that said meetings constituted a combination or conspiracy in restraint of trade or commerce, within the meaning of the antitrust act.

78. They deny each and every allegation contained in the petition not hereinbefore specifically admitted. They deny that they have ever violated or attempted or intended to violate the antitrust act, or any provision thereof. And they particularly deny that they are now engaged in violating said act or are threatening or intending to violate the same, and they respectfully submit that in
139 the absence of such present or threatened or intended violation this honorable court is without jurisdiction to grant the

relief prayed for in the petition or any part thereof, or any other relief in the premises, and they pray to be hence dismissed.

LINDABURY DEPUE & FAULKS,
Solicitors for and of Counsel with Answering Defendants.
JOSEPH H. CHOATE,
JOHN G. JOHNSON,
FRANCIS LYNDE STETSON,
DAVID A. REED,
RAYNAL C. BOLLING,
RICHARD V. LINDABURY,
Of Counsel.

UNITED STATES STEEL CORPORATION,
(SEAL.) By E. H. GARY, *Chairman of the Board of Directors.*
Attest:
THOMAS MURRAY, *Ass't Secretary.*

140 CARNEGIE STEEL COMPANY,
(SEAL.) By W. W. BLACKBURN, *Second Vice President.*
Attest:
JAS. J. CAMPBELL, *Assistant Secretary.*

FEDERAL STEEL COMPANY,
(SEAL.) By E. H. GARY, *President.*
Attest:
THOMAS MURRAY, *Assistant Secretary.*

AMERICAN STEEL & WIRE COMPANY OF NEW JERSEY,
(SEAL.) By C. L. MILLER, *Vice President.*
Attest:
J. R. THOMAS, *Asst. Secretary.*

NATIONAL TUBE COMPANY,
(SEAL.) By WM. B. SCHILLER, *President.*
Attest:
JNO. D. CULBERTSON, *Secretary.*

141 SHELBY STEEL TUBE COMPANY,
(SEAL.) By WM. B. SCHILLER, *President.*
Attest:
JNO. D. CULBERTSON, *Secretary.*

AMERICAN SHEET & TIN PLATE COMPANY,
(SEAL.) By E. W. PARGNY, *President.*
Attest:
H. B. WHEELER, *Secretary.*

AMERICAN TIN PLATE COMPANY,
(SEAL.) By E. W. PARGNY, *President.*
Attest:
H. B. WHEELER, *Secretary.*

AMERICAN BRIDGE COMPANY,
(SEAL.) By JOSHUA A. HATFIELD, *Vice President.*
Attest:
W. DE SAUSSURE TRENHOLM,
Assistant Secretary.

142 LAKE SUPERIOR CONSOLIDATED IRON MINES,
(SEAL.) By D. G. KERR, *President.*
Attest:
C. D. FRASER, *Secretary.*
UNION STEEL COMPANY,
(SEAL.) By RICHARD TRIMBLE, *Vice President.*
Attest:
W. J. FILBERT, *Secretary.*
H. C. FRICK COKE COMPANY,
(SEAL.) By THOS. LYNCH, *President.*
Attest:
D. H. COBLE, *Secretary.*
CLAIRTON STEEL COMPANY,
(SEAL.) By W. W. BLACKBURN, *Vice President.*
Attest:
JAS. J. CAMPBELL, *Assistant Secretary.*
143 TENNESSEE COAL, IRON & RAILROAD COMPANY,
(SEAL.) By GEO. G. CRAWFORD, *President.*
Attest:
L. T. BEECHER, *Secretary.*
(SEAL.) GREAT WESTERN MINING COMPANY,
Attest:
C. D. Fraser, *Secretary.*

STATE OF NEW YORK,
County of New York, ss:

The joint and several answer of defendants United States Steel Corporation, Federal Steel Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, Tennessee Coal, Iron and Railroad Company, and Great Western Mining Company was taken this thirtieth day of January, 1912, before me, the subscriber, a notary public in and for the county and State aforesaid, under the respective common seals of the said corporations, as by their said seals thereto affixed appears.

(NOTARIAL SEAL.) WILLIAM W. CORLETT,
Notary Public, No. 218, New York County.

My commission expires March 30, 1913.

144 STATE OF PENNSYLVANIA,
County of Allegheny, ss:

The joint and several answer of defendants Carnegie Steel Company, American Steel & Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Sheet & Tin Plate Company, American Tin Plate Company, H. C. Frick Coke Company, and Clairton Steel Company was taken this thirty-first day of January, 1912, before me, the subscriber, a notary public in and for the county and State aforesaid, under the respective com-

mon seals of the said corporations, as by their said seals thereto affixed apears.

(NOTARIAL SEAL.) ROBERT T. ROSSELL,
Notary Public, Allegheny County, Pa.

My commission expires February 27, 1913.

145 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendants, United States Steel Corporation and others.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendants, United States Steel Corporation, Carnegie Steel Company, Federal Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Sheet and Tin Plate Company, American Tin Plate Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company; Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, J. Pierpont Morgan, Elbert H. Gary, Charles M. Schwab, Charles Steele, Henry C. Frick, James Gayley, William H. Moore, James H. Moore, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, George W. Perkins, and Peter A. B. Widener, for replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendants, and that the answer of the said defendants is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, maintain,
146 and prove as this honorable court shall direct, and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States for the District of New Jersey.

GEO. W. WICKERSHAM,
Attorney General of the United States.

J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General of the United States.

Filed February 29, 1912.

147 In the District Court of the United States for the District of New Jersey. No. —.

Between United States of America, petitioner, and United States Steel Corporation and others, defendants.

Answer of Andrew Carnegie.

Lindabury, Depue & Faulks; James H. Reed, solicitors for defendant, Andrew Carnegie.
Reed, Smith, Shaw & Beal, of counsel.

148 In the District Court of the United States for the District of New Jersey. No. —. Between United States of America, petitioner, and United States Steel Corporation and others, defendants. Answer of Andrew Carnegie.

To the honorable the judges of the Circuit Court of the United States for the District of New Jersey:

The answer of Andrew Carnegie, one of the defendants, to the petition of the United States of America in the above-entitled cause respectfully shows:

1. Answering the first paragraph of the petition, this defendant says that the statements of the first paragraph are not denied, except the allegation that trade between certain unnamed persons,
149 partnerships, and corporations at various times and in various localities were restrained by unlawful pools and combinations, as to which uncertain allegations this defendant has no knowledge and does not admit the same.

2. Answering the second paragraph of the petition, this defendant has no such knowledge as will enable him to answer the allegations of the second paragraph relating to companies other than the Carnegie Company, but he does not admit the same. Answering the allegations of the second paragraph relating to the Carnegie Company, this defendant says that the statement of properties and interests in companies owned by the Carnegie Company is correct. Defendant denies the allegation in said paragraph, that the purpose and effect of the consolidation and absorption of the Duquesne Steel Works was a combination in restraint of trade and commerce among the several States and with foreign nations and an attempt to monopolize and a monopolization of a part of the trade and commerce among the several States and with foreign nations within the meaning of the antitrust act. Defendant further denies the allegation of said paragraph, that the effect of such consolidation, to wit, the ownership of the several properties and shares of stock by the Carnegie Company as set forth in said paragraph, was a combination in restraint of trade and commerce among the several States and with foreign nations within the meaning of section 1, and an attempt to monopolize and a monopolization of part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act. On the contrary, the

purpose and intention of the Carnegie Company in acquiring the said properties and shares of stock were solely to secure
150 greater industrial efficiency in the conduct and legitimate enlargement of its business, and said corporations and associations were not competing companies.

3. Answering the third paragraph of the petition, this defendant says that the allegations of said paragraph, so far as they relate to the business of the Carnegie Company and its plans for further development of its business, are correct to this extent, that it was the intention of the Carnegie Company to continue its consistent policy of enlarging its capacity as the development of its business required, but so far as the allegations relate to the business and plans and intentions of other companies and persons this defendant has no knowledge and cannot affirm or deny. Defendant denies that he or the Carnegie Company had ambitious plans involving further elimination of competition and restraint of trade and commerce.

4. Answering the fourth paragraph, so far as it relates to this defendant, he says that it is true that he owned the majority of the shares of the Carnegie Company; that he was aware of the formation of the United States Steel Corporation and the business which it proposed to conduct. He did not combine in any of the proposed plans further than to agree to sell his shares of stock of the Carnegie Company outright, taking in pay therefor bonds of said corporation of maturities running over a period of years, to be secured by a pledge of stocks and other securities owned or to be owned by the corporation, the form and terms and conditions of the bonds and the agreement securing the same to be satisfactory to his counsel. Having agreed to make this sale, he took no part in the plans for the organization of the corporation nor has he taken any part
151 either direct or advisory in its business, his position being solely that of a creditor holding obligations of the corporation. Further answering this paragraph of the petition, this defendant says that he has only a general knowledge of the capitalization and terms of issue thereof, mainly derived from publications upon the subject. It is true that certain shares of stock of the Carnegie Company were exchanged for bonds of the corporation and that other shares of the Carnegie Company were exchanged for shares of the corporation and that bonds of the Carnegie Company were exchanged for bonds of the corporation substantially as stated in the fourth paragraph of the petition. The averments of the fourth paragraph in reference to the value of the properties of the Carnegie Company are vague and indefinite and their materiality in this case is doubtful, but this defendant denies the allegation that the value of the tangible property of the Carnegie Company did not exceed $160,000,000 at the time of the sale to the corporation. He denies that the net value of the assets of the Carnegie Steel Company of December 31st, 1899, was $75,610,104.96. The allegation in the petition that a statement from the books of the Carnegie Steel Company to this effect was verified under oath by this defendant

and other members of the Carnegie Steel Company has evident reference to an answer filed by the respondents to a bill filed in the Court of Common Pleas No. 1 of Allegheny County, Pennsylvania, by H. C. Frick, to compel an accounting for his interest in the Carnegie Steel Company, Limited, a partnership association existing prior to the organization of the Carnegie Company, the corporation referred to in the present petition. In his bill Mr. Frick averred that the assets of the said partnership association were worth more than $250,000,000. This estimate this defendant and other
152 defendants disputed as immaterial in the suit in question, saying that the association did not at that time have tangible assets which the association could sell or transfer for that value, but this defendant and those partners joining him in this answer in the said suit averred in that connection that the partnership as a going concern and with its existing organization was worth a sum largely in excess of the book value of its tangible assets. The real question in the said suit as to value of property was based upon the construction and effect of a certain agreement between the members of the association which this defendant and others of the members claimed was binding upon all of the members of said association, by which agreement the assets of said association as between the members were to be estimated and appraised in a certain way for the purpose of fixing the value of the interests, both of incoming and outgoing members, and that by preceding appraisement so made and assented to by the members of said association, including the said H. C. Frick, the value of the assets were fixed as stated in the petition in this case.

Defendant further answering this paragraph of the petition says he has no knowledge and therefore can not admit or deny the averment, to-wit, that H. C. Frick proposed to sell the Carnegie property to J. P. Morgan for $160,000,000, and that the latter declined it upon the ground that the price was too high. He avers, however, that the only option the said H. C. Frick had upon the Carnegie property involved the payment to this defendant, for his interest alone, of $157,950,000.

Further answering this paragraph this defendant says that his sole motive in agreeing to the sale of the properties of the
153 Carnegie Company to the United States Steel Corporation was his desire to retire from the hazards and responsibilities of active business, and that since said sale was concluded he has had no connection with the business of the purchasing corporation or anyone else.

5. Answering the fifth paragraph, this defendant has only a general knowledge, mainly derived from published reports and publications, of the statements contained in the fifth paragraph of the petition, and can neither affirm nor deny the same.

6. Answering the sixth paragraph, this defendant has no knowledge as to the statements set forth in the sixth paragraph of the petition, and can neither affirm nor deny the same.

7. Answering the seventh paragraph of the petition, this defendant has no such knowledge of the operations of the United States Steel Corporation since its organization as will enable him to affirm or deny the allegations, charges, and conclusions of this paragraph of the petition.

8. Answering the eighth paragraph of the petition, this defendant has not such knowledge of the operations of the United States Steel Corporation since its organization as will enable him to affirm or deny the allegations, charges, and conclusions of this paragraph of the petition.

9. Answering the ninth paragraph of the petition, this defendant has no such knowledge of the operations of the United States Steel Corporation since its organization as will enable him to affirm
154 or deny the allegations, charges, and conclusions of this paragraph of the petition.

10. Answering the tenth paragraph of the petition this defendant says that it is true that prior to the organization of the United States Steel Corporation the several constituent companies were engaged, according to the respective purposes for which they were organized, in business of which a portion was interstate or foreign commerce. He has no such knowledge as will enable him to affirm or deny the remaining allegations, charges, and conclusions in said paragraph, except to deny that he entered into any agreement or combination in restraint of trade and commerce among the several States and with foreign nations within the meaning of section 1, and a combination to monopolize a part of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the antitrust act.

11. Answering the eleventh paragraph of the said petition this defendant has no knowledge and can not affirm or deny the allegations as to the actions of the corporation or its constituent companies since its organization, nor has he any knowledge as to the business of the constituent companies (other than the Carnegie Company) prior to such organization. His recollections of details of the business operations of the Carnegie Company and its constituent companies is not sufficient at this time to enable him to affirm or deny the averments of this paragraph so far as they relate to the actions of those companies prior to the organization of the corporation. In fact, having removed his residence from Pittsburgh to the city of New York in the year 1868 he was consulted only as to general
155 policy by the managers in active charge. He can state, however, that he did not, so far as his individual judgment went, favor the idea of pools or associations, but preferred that the Carnegie Steel Company should conduct its business in entire independence, believing that with its organization it would prosper under this policy.

12. Answering the twelfth paragraph of the petition this defendant has no knowledge of the statements of this paragraph and can neither affirm or deny the same.

13. Answering the thirteenth paragraph of the petition this defendant says he has no knowledge other than by statements published in the public press of any of the averments of this paragraph and can neither affirm nor deny the statements or conclusions of this paragraph.

14. And this defendant denies all and all manner of unlawful combination and confederacy wherewith he is by the said petition charged.

Wherefore this defendant having fully answered all the matters in the said petition material to be answered, according to his best knowledge and belief, prays this honorable court to enter its decree that this defendant be hence dismissed with his reasonable costs and charges in this behalf most wrongfully sustained.

_____,
_____,
Solicitors for defendant, Andrew Carnegie.

156 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendant, Andrew Carnegie.

(Filed February 29, 1912.)

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendant, Andrew Carnegie, for replication thereunto saith that it doth and will aver, maintain and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendant, and that the answer of the said defendant is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, maintain, and prove as this honorable court shall direct, and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General of the United States.

157 In the District Court of the United States for the District of New Jersey.

United States of America, petitioner, *vs.* United States Steel Corporation and others, defendants.

Answer of defendant, William P. Palmer.

John Z. B. Wicoff, solicitor for defendant William P. Palmer.
Andrew Squire, of counsel.

158 In the District Court of the United States for the District of New Jersey. United States of America, petitioner, *vs.* United States Steel Corporation and others, defendants. Answer of defendant, William P. Palmer.

This defendant, William P. Palmer, for answer to so much of the petition exhibited against the defendants by the above-named petitioner as he is advised it is material or necessary for him to make answer unto, says:

1st. In January, 1899, this defendant became a director and general manager of the American Steel & Wire Company, taking charge of the operation of the property and having charge of forming the active working organization; that on May 10, 1900, he was elected president of the American Steel & Wire Company, and has since continued to act as such president; that in 1901 all stockholders of the American Steel & Wire Company were offered an opportunity to sell their stock to the United States Steel Corporation; that a committee was appointed on behalf of the stockholders of the American Steel & Wire Company to consider and report upon what terms it would be for the interests of such stockholders to make sale of their stock to the United States Steel Corporation; that this answering defendant was not a member of said committee, but, upon said committee's making report, this defendant acquiesced therein and sold substantially all the stock held by him in the American Steel & Wire Company to the United States Steel Corporation.

2nd. That from the time of his election as president of the American Steel & Wire Company in May, 1900, until the
159 present time, he has had charge and control, with his associates, of the management and operations carried on by said company, reporting results from time to time to the United States Steel Corporation or its proper officers.

3rd. This defendant says that the American Steel & Wire Company has and does manufacture, among other articles, horse shoes, bare copper wire, wire rope iron and steel, rubber insulated cable, paper insulated cable and insulated wires; that said products have amounted (for the past five years) to between two and three per cent of the tonnage annually manufactured and sold by the American Steel & Wire Company, and, being high-priced products and difficult

to manufacture, have amounted to between ten and thirteen per cent of the value of the products sold annually by the American Steel & Wire Company.

This defendant admits that in July, 1908, the sales department of the American Steel & Wire Company, with his approval and consent, did, as set forth in the petition of complainant, enter into certain agreements designated in the petition as "the Wire Rope Association," "the Rubber Covered Wire Association," "the Horse Shoe Manufacturers' Association," "the Underground Power Cable Association," "the Weatherproof and Magnet Wire Association," "the Lead Incased Rubber Cable Association," and "the Bare Copper Wire Association," all of which associations had reference to some portions of the products included in the six divisions of products hereinbefore enumerated.

This defendant says that during the existence of said associations they had reference to nothing except what is included in the six divisions hereinbefore enumerated of the manufactured products of the American Steel & Wire Company; that at no time did the tonnage and value of all of the articles in the aforesaid six classifications exceed the percentage as hereinbefore enumerated, and that during all of said time, as to more than ninety-seven per cent of its tonnage and more than eighty-seven per cent of the value of its products, the American Steel & Wire Company was wholly free in its manufacture and markets.

That early in the year 1909 the United States Steel Corporation learned of the then existence of the aforesaid agreements of the American Steel & Wire Company, and requested the American Steel & Wire Company to immediately withdraw from all such agreements, which request was at once complied with, and no
160 such agreements have been continued or entered into since such withdrawal.

With reference to said agreements and the time they existed, as set forth in the petition of complainant, this defendant says that the sales department of the American Steel & Wire Company was advised that the agreements entered into were legal and not in contravention of law; that they were originated and conducted under the advice of reputable attorneys in good standing and with no intention of violating any law or statute, and that this defendant, in consenting to their organization and conduct, did not do it with any intention of restraining trade or commerce in any sense, but for the purpose of affording reasonable regulation and protection to the American Steel & Wire Company and to other corporations and persons engaged in similar lines of business, in such manner that such regulation would not alone be beneficial to the producer, but would be beneficial and protective to the purchasers; that this defendant believed and still believes that said agreements as he understood them were made along fair, economic business lines; that they were not made to and did not fix arbitrary, artificial, and noncompetitive prices which were greatly in excess of those which would have been

obtained but for such combinations; that they did not unlawfully limit production; neither did they unlawfully destroy and prevent competition or in any manner injure the business, trade, or commerce in the United States in the articles referred to in said agreements, and, on the contrary, they were intended to and did seek to regulate to a reasonable extent only the production and price, but in such a manner as to develop and promote trade and protect the interests of the manufacturer and the purchaser.

This defendant denies that any of said agreements during the time of their existence were a combination in restraint of trade or commerce among the several States and with foreign nations within the meaning of section 1, or an attempt to monopolize and a monopolization of part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act; on the contrary, the purpose and intention of this defendant in consenting to and allowing such pools and agreements was as herein above set forth.

This defendant alleges that the business in the iron and steel industry, including the business of the American Steel & Wire
161 Company, depends, for the amount of its productions and sales and the prices obtained therefor, upon the law of demand and supply for such products throughout the United States and in foreign countries, and that the variation in prices is at all times largely regulated by such demand and supply, and that the aforesaid agreements when they existed acted as regulators, preventing excessively low, ruinous prices and excessively high prices, and that in no wise were they intended to operate in restraint of trade or commerce, but for the purpose of creating, enlarging, and steadying trade and commerce in the lines covered by such agreements.

This defendant denies all unlawful combination and confederacy charged against him in the petition of complainant.

This defendant, having fully answered all the matters in said petition material to be answered by him, prays this honorable court that he be dismissed with his reasonable costs and charges.

_____, _____,

Solicitor for Answering Defendant.

_____, _____,

Of Counsel.

162 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendant, William P. Palmer.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be

had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendant, William P. Palmer, for replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendant, and that the answer of the said defendant is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied is true; all which matters and things this replicant is ready to aver, maintain, and prove as this honorable court shall direct and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States for the District of New Jersey.

GEO. W. WICKERSHAM,
Attorney General of the United States.

J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General of the United States.

Filed February 29, 1912.

163 In the District Court of the United States for the District of New Jersey.

United States of America, petitioner, against United States Steel Corporation and others, defendants.

Answer of Edmund C. Converse.

Sullivan & Cromwell, solicitors for defendant Edmund C. Converse.

Wm. Nelson Cromwell, Francis D. Pollak, of counsel.

164 In the District Court of the United States for the District of New Jersey. United States of America, petitioner, against United States Steel Corporation and others, defendants.

ANSWER OF DEFENDANT, EDMUND C. CONVERSE.

The defendant, Edmund C. Converse, answering the petition herein, or so much thereof as he is advised it is material for him to answer, shows:

This defendant admits that the United States Steel Corporation (hereinafter called the "corporation") and other corporate defendants named in the petition herein are corporations organized under the laws of the State of New Jersey, and are residents of the State of New Jersey.

I.

CONDITIONS BEFORE CONSOLIDATIONS OF 1898–1900.

This defendant, answering the allegations contained in the article of the said petition therein designated "I," and entitled "Conditions before consolidations of 1898–1900," admits that prior to 1898 many different persons, partnerships, and corporations were engaged
165 in the iron and steel business in the United States, and that competition existed between those engaged in the products, whether crude or finished, of similar character, but alleges that such competition was limited by geographical, industrial, and other conditions, and denies that such competition was general as to the iron and steel industry as a whole.

This defendant has no knowledge or information sufficient to form a belief as to the extent to which, if at all, pools or combinations existed in the iron and steel business prior to 1898, and as to the allegations of the unlawful character of such pools and combinations, and leaves the petitioner to make such proof thereof as it may be advised.

This defendant admits the general correctness of the statements contained in the second paragraph of said article as to the development of the steel industry, but alleges that the evolution in the direction of consolidation referred to in the petition began prior to the year 1898.

II.

CONSOLIDATIONS OF 1898–1900.

This defendant, answering the allegations of the article of the petition therein designated "II," and entitled "Consolidations of 1898–1900," says:

As to the allegations concerning the Federal Steel Company, the Carnegie Company (of New Jersey), American Steel & Wire Company of New Jersey, National Steel Company, American Tin Plate Company, American Steel Hoop Company, and American Sheet Steel Company, he admits the incorporation of the said corporations; that each of said corporations owned some or all of the properties therein mentioned; that each had the capitalization therein alleged; and that the corporation acquired the control or ownership of the said companies or their properties.

This defendant has no knowledge or information sufficient to form a belief as to the extent and proportion of the properties in each class of business acquired by the said companies, or as to their absolute capacity of output or as to their relative capacity compared
166 with other corporations or concerns in the business, and as to the allegations concerning the amount of stock, if any, of said corporations issued for promotion services or underwriting commissions, or as to the existence or extent, if any, of overcapitalization or overvaluation on the part of said companies or any of them; and he leaves the petitioner to make such proof thereof as it may be advised.

He denies each and every allegation in the petition that the formation or existence of any of the said companies, or the acquisition by any of them of their respective properties, was in any respect in restraint of trade and commerce in the several States and with foreign nations within the meaning of section 1, or an attempt by the parties thereto to monopolize, or a monopolization in whole or part of the trade or commerce among the several States and the foreign nations, within the meaning of section two of the anti-trust act; or that the purpose or effect of any of the said acts or transactions was in any respect to restrain or monopolize any part of such trade or commerce.

THE NATIONAL TUBE COMPANY.

This defendant admits the allegations relating to the incorporation of the United States Tube Company, the change of its name to the National Tube Company, its capitalization and the acquisition by it of the properties, plants and capital stocks of other companies, and the ultimate acquisition of its own capital stock by the corporation.

This defendant admits that the National Tube Company by the acquisition of the said properties and stocks did combine under one management concerns which at the time produced in the aggregate approximately seventy-two per centum of the total amount of iron and steel wrought tubing produced in the United States, but denies that such concerns controlled ninety per cent or more than seventy-two per cent of the productive capacity of this country at the time of such consolidation.

This defendant denies that the purpose, or of the effect of the formation of the National Tube Company, or its acquisition of the properties and stocks aforesaid, was a combination between
167 the so-called consolidating companies of the National Tube Company, or their respective officers, or agents, or promoters, or underwriters, or any of them, in restraint of trade or commerce among the several States, or with foreign nations, or an attempt to monopolize, or a monopolization of any part of such trade or commerce within the meaning of any statute of the United States of America.

The defendant admits that some of the corporations whose properties or stocks were acquired by the National Tube Company had, prior to such acquisition or consolidation, competed with each other in interstate and foreign trade or commerce, and that in some instances pools or agreements had existed between some of them, but this defendant has no knowledge or information sufficient to form a belief as to whether any such pools or agreements were unlawful, and leaves the petitioner to make such proof thereof as it may be advised.

This defendant denies that any pools or combinations between any of said companies existed at the time of the formation of the National Tube Company.

This defendant alleges that at and at all times after the formation of the National Tube Company there were and have been numerous other corporations and copartnerships in which the National Tube Company did not have and never has had any interest soever and over which it did not have and never has had any control, engaged in the production and sale of iron and steel wrought tubing in interstate and foreign commerce throughout all parts of the United States; that such concerns were then and at all times since the formation of the National Tube Company have been engaged in active competition with the National Tube Company in the manufacture and sale of such products in interstate and foreign commerce, and that the National Tube Company has at all times competed with such other concerns. That the business of manufacturing and selling iron or steel wrought tubing is one in which all persons have been at all times free to engage, and that the National Tube Company has not placed, or at any time attempted to place, any obstacles or hindrances in the way of the entrance into such business of new manufacturers, or in the way of the freedom of action of existing competitors, and that it has at no time had the power, in fact, to limit or curtail the free opportunity of other
168 capitalists and manufacturers to enter into and freely prosecute the industry; and that the business of manufacturing and selling iron and steel wrought tubing at all times since the formation of the National Tube Company has been and remained competitive, and now is a highly competitive industry, marked by keen rivalry. That the many concerns and plants which at the time of the formation of the National Tube Company were engaged in competition with it and with each other in the manufacture and sale of iron and steel wrought tubing, and have since that date greatly increased their absolute and relative production; that many new plants have been constructed and have been and are operated by new concerns which have come into the business since said date; and that, as appears from the allegations contained in the petition herein, the proportion of the total output of the industry produced by corporations and concerns in which the National Tube Company has no interest has steadily increased from the time of the formation of the National Tube Company until the present day, and the proportionate output of the National Tube Company and its plants has correspondingly and continuously decreased, the National Tube Company's proportion of the total production being alleged in the said petition to have been ninety per cent in 1898, fifty-seven per cent in 1901, and being in fact thirty-eight per cent in 1910, as alleged in the report of the commissioner of corporations dated July 1, 1911.

This defendant further alleges that the organization of the National Tube Company and its acquisition of its constituent properties was made with full knowledge of the fact by him, and he believes with a like knowledge by all others who participated therein; that no monopolization, in part or whole, of the industry in fact would

or could be created by any such consolidation, and that no restraint of trade or control of the price or of production in such industry would or could result from such consolidation, but that on the contrary the industry, from its nature, would remain a freely competitive one; and this defendant denies that the purpose or effect of said consolidation was, as matter of fact, to monopolize, in whole or part, or to restrain unduly, unreasonably, or at all, trade or commerce in such industry, or to exclude or limit actual or potential competition in the industry. This defendant admits that, in
169 the nature of the case, the effect of the consolidation was to prevent competition between the plants or concerns which were included in the consolidation, but alleges that on account of the actual competitors engaged in the business and not included in the consolidation, and on account of the potential competitors who it was known might at any time enter the industry and freely compete with the National Tube Company, it was anticipated by this defendant, and he believes by all other parties to the consolidation, that such consolidation would not unreasonably or at all restrain or restrict competitive conditions in said industry, and such competitive conditions have, as above stated, always existed since the consolidation.

This defendant further alleges that, as matter of fact, neither the purpose nor the effect of the said consolidation was to injure the public or to interfere with the rights or opportunities of others, to carry on or prosecute the industry; and he alleges that, on the contrary, the purpose and effect of the formation of the National Tube Company and its acquisition of the properties referred to in the petition was to combine the efforts and capital of those who participated therein in the conduct of their part only of an industry which was and would remain subject to competitive conditions, and that the effect and purpose of the consolidation was simply to secure to the parties so uniting their efforts and capital and to the public generally the benefit of production and distribution upon a large and economical basis and the avoidance of economic waste and loss.

This defendant alleges further that the formation of the National Tube Company and the consolidation therein made was not a sudden and artificial development, but was the natural outgrowth of industrial conditions that had been shaping themselves for many years previous thereto; that this defendant (who all of his business life had been connected with the National Tube Works Company, one of the consolidating companies, and was at the time of such consolidation its vice president and general manager) had for years prior to 1898 recognized, with others in the industry, that the growth of the volume of the industry as a whole, and the vast increase in the number and individual amount of orders for tubes, the economic advantages from production on a large scale; the growing necessity
170 due to improvements in the arts, for greater investment in fixed plant and larger working capital; the more urgent demand for certain and prompt deliveries; and the desirability of

concentrating production at points advantageous for assembling, manufacturing, and distributing, all demanded the creation of at least one great manufacturing concern with plants and adequate working capital capable of meeting and utilizing these industrial requirements and advantages; that plans and efforts for the achievements of these ends had been continuously under consideration and attention for six years previous thereto by this defendant, but that their execution was prevented by the panic of 1893 and subsequent years; that with the return in 1897–8 of more settled and normal conditions, and the further increase of demand for products of the tube industry, and the incapacity of the smaller industrial and business units to meet this demand had become apparent, the need for such stronger and more effective organization or organizations became more and more imperative, and under these conditions the organization of the National Tube Company took place as the natural and spontaneous expression and result of the freedom of trade of those who participated therein.

This defendant further alleges that the formation of the National Tube Company was in truth, in fact, and in law not a restraint upon the freedom of trade, but an exercise of that right of freedom of trade which he is advised by counsel it was the purpose and effect of the antitrust act to preserve.

III.

CONDITIONS LEADING TO FORMATION OF UNITED STATES STEEL CORPORATION.

This defendant, answering the article of said complaint therein designated as "III," and entitled "Conditions leading to formation of United States Steel Corporation," says, as to all the allegations of said article which he is advised it is material for him to answer, the following:

He denies that in or about the year 1900 there was active competition between the producers of crude steel, including
171 the Carnegie Steel Company, the Federal Steel Company, the National Steel Company, although he admits that some competition existed between them, and he admits that to a minor extent competition existed between the said three companies and some of the other companies referred to in the petition and therein called "consolidating companies" in lighter finished products; and he alleges that such competition existed as well between the companies enumerated in said article of the petition and other concerns in their respective lines of business not enumerated or referred to in the petition.

He denies that the formation of the constituent companies had largely eliminated competition in their respective lines, or that they or those who controlled them were stimulated by their success or

power in forming plans for the further elimination of competition or restraint of trade or commerce.

He admits the allegations contained in the second, third, fourth, and fifth paragraphs of the said article, except the allegations that the American Steel and Wire Company had in its beginning enjoyed a practical monopoly in wire porducts, and that National Tube Company bought a very large part of its crude steel, which he denies.

This defendant admits that about 1900 there was a general disposition on the part of the concerns enumerated in the said article to consider means to control their raw material and all stages of the manufacture and finishing of the product, and he alleges that this was true not only of the said concerns, but also of other concerns in the same or affiliated lines of business, and alleges that the consideration of this question was the natural and inevitable result of the economic advantages in the production, manufacture, and distribution of iron and steel products which would result from such industrial integration. He denies that the American Steel and Wire Company planned, in 1900, to make its own iron and steel otherwise than in part only and as it had done from the time of its incorporation; and he further denies that the National Tube Company proposed at the time alleged to erect additional blast furnaces and steel works, or that the American Sheet Steel, American Tin Plate, and American Steel Hoop Companies were customers of the Car-
172 negie Company or other makers of steel except in so far as the National Steel Company was unable to supply them.

This defendant further admits that in the early part of the year 1901 the United States Steel Corporation (hereinafter referred to as "the corporation") was organized, and that it acquired the stocks of the other companies in the said article enumerated, but he has no knowledge or information sufficient to form a belief whether, if such corporation had not been organized, any of the alleged plans of the constituent companies for their further extension into the lines of business of the other constituent companies would have been carried out, or to what extent, if at all, they would have been so carried out. He further alleges, on information and belief, that if the respective companies acquired by the United States Steel Corporation had actually proceeded to enter upon any large scale into the respective lines of business of the other constituent companies, there would have resulted a duplication of productive manufacturing capacity, and a waste of capital, labor, and energy without parallel in industrial history.

This defendant denies that if each of the constituent companies had worked out its own destiny, greater competition would have resulted, and he denies that any of them was restrained or obstructed in working out its destiny or development. A state of competition thus brought about between producers in distinct lines of industry would have been (if it had ever come about) inherently unnatural and destructive, and could not have maintained itself, and the economic loss and waste resulting from such useless and excessive dupli-

cation or multiplication of productive capacity would have far exceeded any savings resulting from the integration of the production of crude material and finished product under one control.

This defendant further alleges that, as a matter of fact, neither the purpose nor the effect of the said consolidation was to injure the public, or to interfere with the rights or opportunities of others freely to carry on or prosecute the iron and steel industry, in all its branches; and he alleges that, on the contrary, the purpose and effect of the formation of the corporation and its acquistion of the
173 properties referred to in the petition was simply to combine the efforts and capital of those who participated therein in the conduct of their part of an industry which was, and would remain, subject to competitive conditions, and that under the circumstances and conditions thus described, the organization of the corporation took place as the natural and spontaneous expression and result of the freedom of trade of those who participated therein; and that the formation of the corporation and the acquisition of said properties and stocks was, in truth, in fact and in law not a restraint upon the freedom of trade, but an exercise of that right of freedom of trade which he is advised by counsel it was the purpose and effect of the antitrust act to preserve.

Under these general conditions the United States Steel Corporation was formed with the purpose, as this defendant is informed and believes, not of restraining unduly, or at all, or monopolizing in whole or in part trade and commerce among the States, and between the United States and foreign countries, or with the purpose of eliminating competition between its constituents, but for the purpose of securing such economic advantages as would result from the integration of production, and from production and distribution on the largest scale economically profitable.

And this defendant alleges further that the corporation was formed with the full knowledge on his part, and, as he believes, on the part of the other parties thereto; that in all of the lines of business conducted by its constituent companies (except perhaps certain patented products), there was and would be active competition from persons and corporations then actually engaged in the respective lines of business and not included in the consolidation, and from potential competitors who would in the future engage in such lines of industry, and that the formation of said corporation would not interfere unreasonably, unduly, unnaturally, or at all with competitive conditions in its lines of industry, or enable it to monopolize or control prices or production therein.

This defendant denies that the National Tube Company at the time of the acquisition of its stock by the United States Steel Corporation was or had been in competition with any of the other companies whose property or stocks were acquired by the corporation.

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IV

FORMATION OF UNITED STATES STEEL CORPORATION.

This defendant answering the article of said petition therein designated as "IV," and entitled "Formation of United States Steel Corporation," or so much thereof as he is advised it is material for him to answer, admits the allegations as to the personnel of the board of directors of the corporation, as to the amount of its authorized and outstanding capitalization, and as to the names of the companies and the classes of stock acquired by the corporation.

He denies that the capitalization was not less than $600,000,000 in excess of the value of the properties thus taken over, or that it excluded such value at all.

He denies that such capitalization was vastly, or at all, in excess of the amount upon which the properties acquired by the corporation under normal conditions could earn a fair return, or that the earnings of the corporation have not been commensurate with its actual capital, or that they have been to a very large extent, or at all, the result brought about by the power exerted over trade and commerce by the combination of capital, or the result of any restraint imposed upon trade and commerce, or the suppression of competition, or the influence upon or control of prices, or that they have been the result of any improper, undue, or unnatural or unlawful business action, combination, or coercion, or that consumers or the public at large have through the power created and exerted by the corporation been compelled to pay any unlawful tribute, or any tribute at all, to the corporation.

The defendant admits that the earning capacity of the corporation has exceeded the earning capacity of its properties separately controlled, and that it had been increased by the advantages derived through the associated exercise in the direction of the affairs of the corporation of the skill and experience of many persons previously connected with the constituent companies.

This defendant admits that in the direct exchange of securities the corporation issued a total of $1,191,882,532 in par and principal
175 amount of its stock and bonds in payment for a total of $881,224,405 in par and principal amount of the stocks and bonds of the constituent companies, but he alleges that many of the stocks and bonds so acquired had an actual intrinsic and market value far in excess of their par value or principal amount.

This defendant admits that J. P. Morgan & Company were the managers of a syndicate formed to underwrite the issue and exchange of securities in connection with the formation of the corporation and the acquisition by it of said properties; and he admits that the syndicate received for its expenses, services and risks, and for the assumption of obligations amounting to hundreds of millions of dollars, and for the payment of $25,000,000 in cash, large amounts of preferred and common stock of the corporation, but he alleges that

the agreement between the syndicate and the corporation with respect to its compensation and the amount of the stock to be paid for moneys and properties turned over to it, was in all respects a just and reasonable agreement, and that the said underwriting agreement was fair to all the parties concerned and was ratified and approved by the corporation and its officers, stockholders, and all persons connected with the corporation or with the transactions, as being in all respects fair and proper; and that the fact of the connection of directors or officers of the constituent companies, or of the corporation, with the said syndicate, was in no respect kept secret, but was, on the contrary, a matter of public knowledge to all connected with the formation of the corporation and the acquisition of said properties. And this defendant further alleges that the services of the said syndicate and syndicate managers in bringing about the said consolidation were rendered with the utmost skill and success, and were reasonably worth the amount paid therefor.

This defendant denies that the total amount of the new capitalization representing payments of stock to syndicates or promoters for organizing the corporation and the previous combinations which it took over exceeded $150,000,000 after allowing for new capital contributed and reasonable expenses; but he admits that the capitalization of the corporation exceeded the par amount of the old capitalization of the constituent concerns by over $400,000,000, and
176 alleges that such excess was due in whole or part to the fact that the actual value of the securities of the constituent concerns exceeded their par value.

This defendant denies that the main prospect for maintaining earnings on the many millions alleged to have been given for promotion or alleged to have been issued in excess of real valuation, was the direct or indirect control of trade resulting from the combination, and he denies that the value of stock depended largely or at all upon earnings based in whole or part upon subjecting the public to conditions which could only exist or continue by an abuse of the public, and he denies that the earning power of this stock depended upon the affiliations of the corporation with banking or transportation companies or the power of combination; but, on the contrary, alleges that the earning power of the corporation and the value of its stock depended upon the actual and anticipated results of the legitimate and independent conduct of its business along natural and proper and legal business lines.

The defendant admits the allegations with regard to the exchange of securities of the Carnegie Company for securities in the corporation, but he denies that the value of the tangible property of the Carnegie Company did not exceed $160,000,000, and he has no knowledge or information sufficient to form a belief as to the net value of the assets of the Carnegie Company on December 31, 1899, or as to the existence or terms of any alleged option of H. C. Frick upon the property, and leaves the petitioner to make such proof thereof as it may be advised.

V.

CAPACITY AND EXTENT OF PROPERTIES ACQUIRED IN 1901.

This defendant, answering the article of the petition therein designated as "V," and entitled "Capacity and extent of properties brought under combination in 1901," admits the allegations as to the manufacturing capacity of the works of the corporation at the time of its formation and as to the proportions of the output
177 of iron and steel products produced in 1901 by the corporation and by other producers not connected with or controlled by the corporation.

This defendant admits the allegations contained in the said article as to the acquisition by the corporation of railroads, vessels, and coking and coal lands and miscellaneous properties, and admits that the corporation also acquired large iron-ore reserves in the Lake region, but he has no knowledge as to the exact extent of the iron-ore reserve so acquired, and leaves the petitioner to make such proof thereof as it may be advised. He has no knowledge of any valuation made by Mr. Schwab in 1902, and leaves the petitioner to make such proof thereof as it may be advised.

VI.

ACQUISITIONS SUBSEQUENT TO THE ORGANIZATION OF THE CORPORATION.

This defendant, answering the article of the petition therein designated "VI," and therein entitled "Acquisitions subsequent to the original combination," alleges, with respect to the various subdivisions of the said article, or such parts thereof as he is advised that it is material for him to answer, as follows:

AMERICAN BRIDGE COMPANY.

This defendant admits that the American Bridge Company was incorporated under the laws of the State of New Jersey in April, 1900, and that it was a consolidation of or that it acquired the stock or properties of some or all of the companies or concerns in the said subdivision enumerated. This defendant denies any participation on his part in the formation of the said corporation and denies that the said corporation controlled more than a majority of the bridge construction of the United States, and leaves the petitioner to make such proof thereof as it may be advised. This defendant denies that the said American Bridge Company, either before or after the acquisition of its stock or properties by the corporation, acquired or exercised a practical monopoly in the bridge busi-
178 ness in the United States, and alleges that at the time of the formation of such company and the acquisition by it of said properties there was and has ever since continued to be active com-

petition in said business by those producing a large majority of the bridge and structural-steel work fabricated in the United States; and that the free competitive conditions thus prevailing were not affected or restrained by the purchase by the corporation of the stock of the American Bridge Company, and that such competition has continuously grown more active since said purchase, until at the present time less than one-third of the bridge and structural-steel business in the United States is done by the corporation. The defendant denies the allegations in the said petition contained as to the purpose and effect of the formation of the American Bridge Company and the acquisition of its properties. This defendant admits that in 1901 all, or substantially all, of the stock of the American Bridge Company was acquired by the corporation upon the basis set forth in the petition; but he denies that by the said purchase the corporation added greatly or at all to its strength or power to restrain competition or trade or commerce, and alleges that the American Bridge Company was not at the time of such acquisition, to any material extent, a competitor of the corporation.

LAKE SUPERIOR CONSOLIDATED IRON MINES.

This defendant has no knowledge or information sufficient to form a belief as to the allegations of the petition with regard to the history, nature, or purpose of the Lake Superior Consolidated Iron Mines prior to its acquisition by the corporation, and leaves the petitioner to make such proof thereof as it may be advised; but he admits that the said Lake Superior Consolidated Iron Mines owned in and prior to 1901 a large number of important iron mines and properties, and he admits that the stock of the said company was acquired by the corporation in or about April, 1901, upon substantially the terms in said petition set forth. He admits that the Lake Superior Company had in 1901 many million tons of ore part leased and part owned in fee, and that it owned the entire capital stock of the Duluth, Mesaba & Northern Railway Company, a rail-
179 road extending from Duluth into the Mesaba Range; but he denies that the control of this railroad or of the Duluth & Iron Range Railroad gave to the corporation an effective or any control of ore transportation in the Minnesota ore regions with respect either to its own production or to that of any of its competitors; and alleges, on the contrary, that said railroads, both before and after said consolidation, were bound to transport ore at reasonable rates without preference and discrimination for all customers, shippers, or mine owners, and did so transport such ore, and that the terms and rates for such transportation were before the aforesaid acquisition, and have remained ever since, subject to regulation by the public authorities of the States where such railroads are located, or of the United States, or of both.

BESSEMER STEAMSHIP COMPANY.

This defendant admits the allegations contained in this subdivision with respect to the acquisition by the corporation of the properties of this company.

SHELBY STEEL TUBE COMPANY.

This defendant has no knowledge or information as to the allegations contained in the petition with respect to the history of the Shelby Steel Tube Company prior to the acquisition of its stock in 1901 by the corporation, and leaves the petitioner to make such proof with regard to the same as he may be advised, except that this defendant admits that prior to 1901 the Shelby Steel Tube Company was the largest producer of seamless tubes in the United States; and he alleges that the said company was, to a large extent, protected from competition in its said business by patents upon its processes, appliances, and products, and that on account of the existence of such patents competition in the seamless-tube business had not existed in the United States to any material extent for many years prior to 1901. He alleges that substantially the entire business of the said Shelby Steel Tube Company was limited to the production of seamless tubes under patents aforesaid, and that such seamless tubes constituted a product different and distinct from the tubes
180 manufactured by the National Tube Company, and that competition between the products of the two companies on account of their different nature and purpose or use existed only to a trifling extent. He denies that the purpose or effect of the purchase of the stock of the Shelby Steel Tube Company was to get rid of a competitor of the National Tube Company, or that the corporation acquired any supremacy in the seamless-tube business, except in so far as it thereby acquired exclusive patent rights.

OLIVER IRON MINING COMPANY, PITTSBURG STEAMSHIP COMPANY, POCAHONTAS COAL LANDS.

This defendant admits the allegations contained in these subdivisions of the petition.

UNION STEEL COMPANY.

This defendant admits the allegations contained in this subdivision of the petition that the corporation purchased the property of the Union Steel Company for the consideration therein stated, and he admits that the said Union Steel Company, or its predecessor companies, had been to some extent prior to such purchases competitors of the corporation, but he denies that such competition had been or threatened to be important or sharp. He has no knowledge or information

as to the history of the Union Steel Company and the Sharon Steel Company or the terms of their consolidation or the nature and extent or capacity of their properties or plants, and leaves the petitioner to make such proof in regard thereto as it may be advised; but he admits that the general character of the properties of the said companies was as alleged in the petition, and that their properties at the time of their acquisition by the corporation were of very great value. He denies that the price paid for such properties exceeds the value thereof, or that the purpose of the acquisition was to eliminate the competition of influential interests in the said concerns.

181 TROY STEEL PRODUCTS COMPANY.

This defendant admits the allegations contained in this subdivision of the petition, except the allegation (which he denies) that the Troy Steel Products Company was a competitor of the corporation.

THE CLAIRTON STEEL COMPANY.

This defendant admits that the corporation in 1904 acquired from the Crucible Steel Company the entire capital stock of the Clairton Steel Company, and admits also that in connection with the said purchase the Crucible Steel Company contracted to purchase pig-iron billets from the corporation for a period of years; but he denies that the purpose or effect of such purchase or of such contract was to any extent in restraint of trade or commerce within the meaning of the anti-trust act, or that the purpose or effect of such purchase was to give or increase any monopolistic control of ore or coal lands by the corporation, and he denies that the corporation ever had any such control.

GREAT NORTHERN ORE LEASE.

This defendant admits that in or about 1907 the Great Northern Mining Company, a subsidiary of the corporation, acquired by lease from the Great Northern interests connected with the Great Northern Railway, mine or ore lands formerly owned by the corporations enumerated in the petition, and that the parties to such lease were as alleged in the petition, and this defendant admits further that some of the terms of the said lease were as stated in the petition. He denies that the purpose or effect of the said lease was to shut off competition by preventing the establishment of a competitor or in any other way, or to secure an undue power over the steel business, or to control the source of supply of ore by taking it out of the market, or to restrain trade or commerce, or to be or effect a monopolization within the meaning of the anti-trust act; and alleges that the sole purpose of the said lease was to secure to the corporation control of ample supplies for the future requirements of its own busi-
182 ness. He admits that the effect of such lease was as to the properties covered thereby to prevent their utilization by other

corporations and persons engaged in the steel business, but alleges that this was merely the incidental result of their acquisition by the corporation and was not the inducement for or occasion of such acquisition. He denies that the corporation either or after such acquisition had any control of the ore resources of the country, and, on the contrary, alleges that the ore resources of the country at all times since said lease have been and still remain adequate to enable other persons or corporations engaged in or desiring to enter the steel business to acquire freely, upon fair and reasonable terms, all the ore needed for their business purposes. He admits that the royalty agreed by the corporation to be paid by the terms of the said lease was high, but alleges that the price was at the time of the said lease deemed by him, and according to the best of his knowledge and belief, by the other directors of the corporation, a fair and reasonable price, in view of the high quality of the ores believed to be contained therein, and in view of the benefits which would result to the corporation from certain and assured knowledge as to the location of its ore supplies, and the quantity and quality of the ores to be derived therefrom, which would in the future enable the corporation to plan the location and development of its plants with a view to the most effective and economical utilization of such ore supplies, and in view also of the right expressly reserved by the lease to terminate the same if the corporation's expectations with regard thereto were disappointed.

This defendant has no knowledge or information as to the precise quantity of ores actually contained, or at any time estimated to be contained in said ore lands, or the proportion which the ore in such land would bear to the ore reserves in other lands, and he leaves the petitioner to make such proof with regard thereto as it may be advised.

This defendant admits the allegation of the petition that the finance committee of the corporation on October 17, 1911, unanimously decided to cancel said ore lease under and in pursuance of the provision for such cancellation contained in said lease, and he alleges that since said date the corporation has given to the

183 lessors therein named due notice of cancellation of the said lease, to take effect on January 1, 1915 (being the earliest date at which such notice could under the terms of the lease become effective), and said lease will on said date become null and void, and thereafter the corporation will not have any ownership, possession, or interest in the reserves therein mentioned.

TENNESSEE COAL, IRON & RAILROAD CO.

This defendant admits that in or about the year 1907 the corporation acquired nearly all the stock of the Tennessee Coal, Iron & Railroad Company (hereinafter called the Tennessee Company), at the price and for the consideration alleged in this subdivision of the petition, and he denies that the Tennessee Company was at the time of

such acquisition a strong present or probable future competitor of the corporation. He admits that it had iron and steel plants and holdings of coal and iron and other mineral properties in the southern States, and that in 1907 it had engaged in the manufacture of open-hearth steel rails; but alleges that the total steel output of the Tennessee Company at the time of the purchase of its stock by the corporation was less than two per cent of the total production in the United States. This defendant has no knowledge or information sufficient to form a belief as to the allegations of the petition with regard to the ore tonnage of the holdings of mineral lands of the said Tennessee Company. He alleges that on account of the geographical location of its properties the territory served by the Tennessee Company with its products was and had been wholly or largely distinct from that supplied by the corporation, and that the Tennessee Company was in active competition with other producers in the same territory and possessed no industrial or commercial advantage over them.

This defendant admits that in October, 1907, a great financial panic occurred in the United States, and that New York was its storm center, and he admits upon information and belief that the firm of Moore & Schley, or some member or members of said firm were, or were supposed to be, heavily interested in a syndicate controlling a majority of the stock of the said Tennessee Company,
and that the Trust Company of America was, or its officers
184 were, likewise interested as pledgee or owner in stocks of the
said company, and that it was generally believed during said panic that said firm and said trust company and the other members of the syndicate interested in said stock would be involved in failure or bankruptcy unless relieved from the burden of carrying the said stock, and that the failure of such firms and institutions would produce an incalculable effect in further shaking public confidence in the financial stability of banks, trust companies, and financial institutions generally, and thus greatly aggravate the conditions of panic then prevailing, and he further admits and alleges that the purchase of the said stocks of the Tennessee Company by the corporation was made under the circumstances hereinbefore generally described and with a view of preventing the spread of the said panic and of aiding to restore public confidence; that the business of the corporation depended for its profit and success to a great extent upon the maintenance and continuance of conditions of general business prosperity in the United States; and that the losses in its own business reasonably to be anticipated by the corporation in the event that such further extension of the panic and prostration of commerce and industry as was threatened as aforesaid by the failure of the firms and institutions mentioned would have amounted to many score of millions of dollars.

This defendant denies that the purchase by corporation of the said stock of the Tennessee Company was made for the purpose of elimi-

nating a competitor, or of strengthening its control of the iron ore supply of the country, or of acquiring a dominating position in the iron and steel trade of the South, or that it was made for the purpose of or resulted in the acquisition by the corporation of a power of control of said industries anywhere, or any power which is in any respect a menace to the welfare of the country.

This defendant denies all the allegations of deceit, suppression of fact, conspiracy, or improper or illegal or unfair dealings of any kind made in, or to be implied from, this subdivision of the petition with regard to the acquisition of the stock of the Tennessee Company or the action of any of the officers or directors of the corporation in or concerning the same.

185 With respect to the acts and transactions, matters, and things mentioned in this subdivision of the petition which have not been heretofore admitted or denied, this defendant has no knowledge or information sufficient to form a belief, and leaves the petitioner to make such proof with regard thereto as it may be advised.

VII.

POSITION ACHIEVED BY THE CORPORATION THROUGH THE OWNERSHIP OR CONTROL OF COAL, COKE, IRON ORE, AND TRANSPORTATION.

This defendant, answering the article of the petition therein designated as "VII," and entitled, "Position achieved by the corporation through the ownership or control of coal, coke, iron ore, and transportation," alleges as to said article, or to such parts thereof as he is advised it is material for him to answer, as follows:

He admits that the corporation derives profits and advantages from the operation of its transportation properties, and he admits the allegations therein contained as to the rate of dividends paid on the capital stock of the Duluth & Iron Range Iron Company and the Duluth & Mesaba & Northern Railway Company, and he admits and alleges that the rates for the transportation of iron ore over said two railroad companies have recently been reduced by twenty cents per ton; but he alleges that the high rate of dividend paid by the said two railroad companies have been due to their excessively low capitalization and to the fact that the volume of business transacted by them, particularly in the transportation of ore owned by or intended for the corporation itself or its subsidiary companies, has greatly increased. He admits, further, that the railroad companies owned or controlled by the corporation are engaged in the transportation of iron ore, both for the corporation and its subsidiaries and for other persons and corporations, and alleges that they have conducted such transportation upon the same rates and terms and without discrimination as between the corporation and other purchasers or shippers; that the said railroad companies have

186 at all times been and are now subject to the public and legal duty of transporting ore for all shippers and purchasers with-

out discrimination and at reasonable rates, and that their rates have been at all times reasonable and nondiscriminatory, and that no complaint, so far as this defendant is advised, has ever been made by any intending or actual shipper with respect to any alleged unreasonableness or discrimination in said rates.

This defendant further alleges that such advantages and benefits as have come to the corporation from its ownership or control or from the operation of the said railway companies have been due merely to its receipt of its returns as an investor in or owner of the said properties, and due to the advantages which have accrued to it from the convenient location of its works and plants with respect to the routes of the said railway companies. He denies that the ownership or control of the said companies or any of them by the corporation has imposed a burden upon competitors or a restraint in any respect upon trade or commerce between the States or has given or gives it a commanding position over its competitors.

This defendant admits that the corporation owns a large quantity of the best coking coal lands in the Connellsville region, and that it has acquired coke and coal properties from the Pittsburgh Coal Company, and that other coke and coal properties are owned by the said Tennessee Company, and that the corporation owns a very large quantity of iron ores in the Lake Superior region and elsewhere; but he has no knowledge or information sufficient to form a belief as to the accuracy of the allegations as to the proportion of said properties owned by the corporation, and leaves the petitioner to make such proof thereof as it may be advised. The defendant alleges that the amount of coal, coke, and ore lands owned by the corporation is not in excess of or disproportionate to its anticipated future needs; that said lands have been acquired with a view of making adequate provision for such future needs; that competitors of the corporation have in like manner made provision for their respective future needs; and that the lands and properties acquired by the competitors of the corporation are, in many instances, of as good quality and
187 are also as abundant in relative quantity as the lands acquired by the corporation; and that there remain immense supplies of iron, coal, and coke lands of good quality in this country which have not been acquired, so far as this defendant is aware, by any iron or steel interests, and which are and will be available as a source of supply to producers of iron and steel. That the purchases of mineral lands made by the corporation have not been made with the purpose of, and have not resulted in, forestalling competition by shutting off the supply of ore or ore materials upon which competition could be based, but that, on the contrary, as above stated, sources of supply of raw material of good quality and enormous quantity remain open in this country, and such supplies also exist in abundant quantity in other countries from which transportation is or can be made economically and commercially feasible and profitable. This defendant admits and alleges that the corporation in the purchases which it

has made has endeavored to the best of its ability to procure at the lowest prices the best lands that it could purchase, and alleges that its competitors have pursued the like policy. He further alleges that even if (which this defendant denies) the corporation by its ownership of ore lands could have been fairly regarded at any time as interfering with the free development and growth of competitors in the steel business, the cancellation by the corporation of the Great Northern ore lease has removed the last vestige of possibility of such control or dominance of ore supplies by the corporation.

This defendant denies that the corporation has ever had, or now has, by reason of its control of available ore, or of the transportation of ore, or otherwise, the power to control largely or at all the iron and steel market or to enforce plans and prices upon its competitors, or to restrain competition or to control the market or prices, or in any way to restrain trade or commerce among the States or with foreign nations; and he denies that the corporation has at any time since its formation exercised, or sought to exercise, such power, except that he admits by reason of its large producing capacity, the corporation (as well as any of its numerous competitors of large capacity) has had the power to prevent to some extent an increase, or to force a reduction of competitive prices for its products, and this power he alleges the corporation has, from time to time, exercised.

188 VIII.

EXTENSIONS AND EARNINGS.

This defendant answering the article of said petition therein designated as "VIII" and entitled "Extensions and earnings," denies that the corporation since its organization has increased its alleged power or influence or dominancy in the industry, and alleges on that the general tendency of the development of the industry has been in the opposite direction. He admits that the corporation largely out of earnings has enlarged its old plants and constructed new ones, and that it has invested approximately four hundred millions of dollars in so doing, and has thereby greatly increased its capacity; but he alleges that concurrently with such extension of its capacity on the part of the corporation there has gone on a like process of expansion of productive capacity on the part of its competitors in the business, and that new competitors have entered into various branches of the industry, and that as a result of all these developments the productive capacity of the corporation in almost all of the departments of its business (including both crude and finished products) is less in proportion to the total productive capacity of the country than when the corporation was formed, and that in particular the proportion of the demand for iron and steel products by consumers in the United States which is supplied by the corporation is very much less than the proportion of such demand

which was so supplied by the corporation at the time of its formation, and has tended and still tends to become smaller.

This defendant admits that the net earnings of the corporation, as shown by its annual report for nine months of the year 1901, and the years 1902 to 1910, inclusive, have been as alleged in the petition, and that these constitute an average of about seven per cent per annum upon the total capitalization of the corporation. This defendant denies that the earnings thus shown approximated to twelve per cent per annum, as in the petition alleged, upon the actual average investment in its properties, and alleges on the contrary that they have amounted on the average to far less than twelve per cent upon such actual investment.

189 This defendant alleges, further, that an annual rate of return of twelve per cent upon actual investment in manufacturing and industrial properties, plant, and business is less than the average or usual rate of return upon capital invested in manufacturing industries or industrial businesses in the United States of America.

This defendant denies that the earnings of the corporation have been in any respect wrongfully enhanced by any unlawful power or control possessed by it or by any unlawful combination.

IX.

CHANGES AS TO PROPERTIES OF VARIOUS CONSTITUENT COMPANIES.

This defendant, answering the allegations of the article of the petition therein designated as "IX" and entitled "Changes as to properties of various constituent companies," admits the allegations therein contained, except that he denies that any of the acts or transactions in the said article mentioned were made or done with the purpose, or had the effect, of in any respect affecting or restricting competition or freedom of trade or commerce in the United States, or between the United States and foreign countries.

X.

CONSOLIDATIONS.

This defendant, answering the allegations of the article of the petition therein designated as "X" and entitled "Consolidations," or so much thereof as he is advised it is material for him to answer, admits that the corporation and its constituent companies, and many of the corporations or businesses acquired by the constituent companies prior to the acquisition of the constituent companies themselves, or their stock, by the corporation, were and have been engaged in interstate and foreign commerce.

This defendant denies that the corporation or the several companies combined under the so-called first consolidation
190 in 1901, or their officers or agents or the individual defendants, ever by any act or transaction in the petition herein mentioned, or otherwise, entered into any agreement or combination in restraint of trade or commerce among the several States or with foreign nations within the meaning of section one of the antitrust act, or into a combination to monopolize a part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act, or that the action of the corporation or of the individual defendants or of any of them, or of the companies in the petition named in the acquisition of the control of the American Bridge Company, Shelby Steel Tube Company, Union Steel Company, Troy Steel Products Company, Clairton Steel Company, Tennessee Iron, Coal & Railroad Company, and the iron ores of the Great Northern interests, or in any other matter, has been or is in any respect in violation of the said act or any portion thereof.

This defendant denies upon information and belief that the business of the corporation and its controlled companies is or has been conducted as part of a general plan or by which they or any of them have in whole or part destroyed competition in trade or commerce among the several States or with foreign nations, or by or through which they have acquired a great or unwholesome influence over competitors, or that such competitors have in any manner been brought into harmonious action with the corporation in restricting competition or in restraining such trade or commerce.

XI.

ALLEGED POOLS AND AGREEMENTS.

This defendant, answering the allegations of the article of the petition therein designated as "XI," and entitled "Pools and agreements," or such portions thereof as he is advised by counsel it is material for him to answer:

Denies that the corporation by its holdings of stock in the operating companies or otherwise brought about control of the market.

Admits that the corporation through such holdings of stock
191 had power to elect the directors of the operating companies, and alleges that the business of those companies was conducted and controlled by their own officers. Admits that prior to 1900 pooling or price agreements were sometimes made between manufacturers in some branches of the iron and steel industry; but he has no knowledge or information sufficient to form a belief as to the extent of the same or as to whether any of the same were in contravention of law.

This defendant denies all the allegations in said article contained with regard to the conduct or action of any of the defendants herein since the year 1904, except that he admits upon information and be-

lief that the American Steel & Wire Company or its officers or agents participated in the arrangements described in the subdivisions entitled "The Wire Rope Combination," "The Copper Covered Wire Combination," "The Horse Shoe Manufacturers' Combination," "The Underground Power Cable Combination," "The Weather-Proof and Magnet Wire Combination," "The Lead Encased Copper Cable Combination," and the "Bare Copper Wire Combination." He denies that the American Steel & Wire Company entered into any of said combinations under the authority or sanction of the corporation, and he alleges that the participation of the American Steel & Wire Company in the associations hereinbefore named, and all of its acts or those of its officers or agents in connection therewith, took place without the knowledge, approval, authorization, or direction of this defendant or of the board of directors of the corporation or its executive officers or of the corporation itself.

He denies that he himself or the corporation is, or has been, a party to any combination or understanding or pool or agreement as to the maintenance of prices or the apportionment of sales of any of its products.

This defendant alleges that he has no knowledge or information sufficient to form a belief as to any of the allegations in this article of the petition with regard to acts or transactions occurring before the year 1905, and leaves the petitioner to make such proof thereof as it may be advised; except that he admits, upon information and belief, the existence prior to 1904 of some agreement or understanding between various producers of structural steel and some agreement or understanding between various producers of steel
192 plates; but he denies that he ever participated therein or that the corporation was a party thereto, and alleges that he has no knowledge or information sufficient to form a belief as to whether the same were in contravention of law. He denies that such associations, or any other association, combination, or agreement were brought about by the cohesive power or overmastering influence of the corporation, and denies the existence of such power or influence.

This defendant admits that ever since May, 1901, the general price of steel rails prevailing in the steel industry has been twenty-eight dollars per ton; he admits that prior to said time the price of steel rails from time to time fluctuated and had been thirty-five dollars per ton in 1899 and 1900.

He admits and alleges that in May, 1901, the corporation fixed the price of its steel rails to be sold by it at twenty-eight dollars per ton, and that its price has been maintained by the corporation at such level since said date, and he admits that the maintenance of this price by the corporation has, in practical effect, prevented other purchasers from charging higher prices. He denies that since 1901 there has been no competition in the manufacture or sale of steel rails, and alleges that, on the contrary, competition in the manufacture and sale of rails has been, and is now, active, vigorous, and general. He alleges that while the general price of twenty-eight dollars per ton

has prevailed as a customary or conventional price for rails, there have been marked changes during said period in the composition, character, and quality of the rails manufactured and supplied, and great diversity has existed between the composition, character, and quality of the rails supplied by producers and demanded or specified by consumers, and that there has been active and vigorous rivalry between the corporation and other producers of rails in their efforts to secure orders from consumers and with respect to the inducements as regards quality and composition of the rails to be supplied and the time and terms of delivery thereof. He denies that at any time since 1900 the corporation or any of its constituent companies has been a party to any agreement or combination to restrain competition, commerce, or trade in steel rails, or to maintain their price, and denies that any such agreement or combination exists or has existed.

193 He alleges that on account of the improvements made as aforesaid in the character, composition, and quality of the rails manufactured, the cost of production and value of standard steel rails has greatly increased since 1901.

XII.

ALLEGED INTERLOCKING DIRECTORATES.

This defendant, answering the allegations of that portion of the petition therein designated as "XII" and therein entitled, "Interlocking directorates," or so much thereof as he is advised it is material for him to answer:

Admits that the directors of the corporation therein mentioned other than himself have, at various times, been directors or officers of other corporations.

This defendant denies that the holding by directors of the corporation of official positions in other companies has been in any respect part of a system of controlling the steel industry, or any part thereof, or of extending the influence or power over trade or commerce of the corporation; and he denies that any such system now exists or ever has existed, or that the corporation ever has had or exercised, or now has or exercises, any power or control over consumers, competitors, or capital by reason of the fact that its own directors or officers have, in some instances, been officers or directors for other corporations.

This defendant denies that he is, or for a long time prior to the filing of this petition had been, a director of the Allis-Chalmers Company, the Fourth Street National Bank of Philadelphia, the Hudson & Manhattan Railway Company, the Inter Ocean Steel Company, Manning, Maxwell & Moore, Inc., the Mohican Oil & Gas Company, the Phœnix Insurance Company, the West Penn Railways, or Westinghouse Electric & Manufacturing Company. He denies that the Sheffield Coal & Iron Company referred to in the

petition is, or ever has been, an actual or potential competitor of the corporation. He alleges that it has a plant of insignificant capacity in the Birmingham district for the manufacture of foundry iron, and further, its plant has for a long time been idle on ac-
194 count of its inability to operate at a profit under existing market conditions. This defendant has no interest in or relationship whatsoever with the Sheffield Coal & Iron Company.

This defendant denies that he has ever sought, accepted, or used a directorship in any other company for the purpose of advancing the interests of the corporation or increasing its power or influence.

XIII.

ALLEGED COMBINATIONS OTHER THAN WRITTEN POOLS OR AGREEMENTS.

This defendant, answering the allegations of the article of the petition therein designated as "XIII," and therein entitled "Combinations other than written pools or agreements," or such portions thereof as he is advised it is material for him to answer:

Admits that from time to time there have been meetings of officers of the corporation and of other companies and concerns in the steel business for the purpose of mutually exchanging information and views with regard to the state of trade. He denies that the said meetings have been attended by competitors who have been overshadowed or dominated by the power of the corporation, and alleges, on the contrary, upon information and belief, that all those who have attended such meetings have done so freely and without fear or domination. He denies that the corporation has, through its representatives at such meetings or in any way at any time agreed with its competitors or any of them as to the prices to be charged by it or by them in the conduct of their respective businesses, or as to the proportion of the output in their respective lines of business that should be allowed to any of them, or as to the competitive or noncompetitive conduct of their business in any other respect; and he denies that any concerted action has been taken at such meetings to prevent fluctuations in prices or prevent competition, and he denies that such fluctuations or competition have been prevented.

This defendant further denies that the corporation or its representatives or any of its officers who attended said meetings, or any
195 of them, ever entered, at any of such meetings, into any obligation in fact, in honor, or in law as to the competitive or noncompetitive conduct of their respective businesses or as to noninterference with each other's custom or trade. He denies that the said meetings brought about the maintenance of prices; and he alleges, on the contrary, that at all the times during and between the pendency of said meetings there has been active competition between the corporation and the other corporations and concerns engaged in the steel industry in the manufacture, sale, and distribution of their respective products; that the competitors of the corporation have not

in fact followed its lead, and it has not followed theirs, but that the conduct of the business of each of the corporations and concerns engaged in the industry, including that of the corporation, has been determined by the free choice and judgment of the responsible managers of such corporation or concern; that free competitive conditions have existed in the steel industry at all times since the formation of the corporation, and that competition has generally tended to grow more strenuous, active, and effective, both as regards the price to be charged for products and as regards the quality and merit of the products produced, and that the various corporations and business concerns in the industry have attempted, by underbidding as to prices and by the offering of superior products at the same price, to secure the business of customers of their rivals; and that instead of its being true that these conditions or tendencies have been checked or thwarted by or since the meeting of January 11th, 1911, the exact opposite thereof is the case.

This defendant admits that it may well be that, as a result of the exchange of information as to the state and prospects of the trade at the meetings held as aforesaid, the corporations and concerns whose officers attended said meetings acquired a better knowledge of the conditions of the steel business and of general business than it would have been possible for them to acquire without such meetings or exchanges of information, and that by reason of such knowledge they were enabled more intelligently to guide the conduct of their respective businesses and to adapt such conduct to the general requirements of supply and demand, and to avoid some of the excesses of over-
production or excessive prices, or under production or insuffi-
196 cient prices, which might have followed if each had conducted its business in ignorance of the plans or purposes of its competitors; and he admits that it may be said, and is the fact, that in this sense the result, from time to time, of such meetings has been to prevent the excess and waste of blind and uniformed competition in production and sale which would in turn have brought the penalty of the destruction and elimination of many of the competitors and the ultimate suspension of competition; but this defendant alleges the effect of such meetings and the exchange of information has been to preserve to those engaged in the industry, or desiring to enter it, and to the public, the benefit of free and intelligent competitive action in the industry.

This defendant further alleges that in all the steps taken by the officers or directors of the corporation in regard to such meetings, or their attendance or speeches thereat, or action thereafter, they have acted in good faith under the advice of counsel learned in the law to the effect that their actions and conduct were, in all respects, in conformity with the law of the land, and that since legal question has been raised as to the propriety or legality of such meetings, the same have been abandoned.

This defendant denies that by any of the pools, agreements, meetings, or acts in said portion of the petition, or any other portion

thereof alleged, the corporation or the companies therein mentioned, or the individual defendants, or any of them, have combined or conspired in restraint of trade or commerce among the several States or the foreign nations or to monopolize a part of such trade or commerce within the meaning of the anti-trust act.

With respect to all of the allegations of this article of the petition not hereinbefore expressly admitted or denied, this defendant has no knowledge or information sufficient to form a belief, and leaves the petitioner to make such proof with regard thereto as it may be advised.

XIV.

This defendant, further answering the petition of the petitioner herein, for a defense thereto alleges:

That the petition of the petitioner herein is wholly lacking in equity, in that it fails to show that the defendants thereto,
197 or any of them, are doing or are about to do or intend to do any act or thing in the future whereby trade or commerce between the States or between the United States and foreign nations will be unreasonably or unduly or at all restrained, or whereby such trade or commerce or any part thereof will be, in whole or in part, monopolized or attempted so to be.

With respect to the various acts done by the corporation or the other defendants since the formation of the corporation and in the conduct of its business, or that of the other corporate defendants, and which are alleged in the said petition to have been done in violation to the anti-trust act, it is not alleged and it is not the fact that any of the said acts, or any acts similar thereto, are now being done or will in the future be done by the defendants or any of them.

With respect to the allegations of the said petition that the formation of the corporation and of its constituent companies, which are defendants herein, and their ownership or possession of the properties, which in the petition they are alleged to have acquired, were in and of themselves violations of the anti-trust act and involved or caused restraint of trade or monopolized or attempted to monopolize trade or commerce within the meaning of the said act, the petition wholly fails to show, and it is not the fact that the corporation or any of its constituent companies, by reason of its or their ownership or control of properties, involved or caused or produced at the time of the filing of the petition, or will involve or cause or produce in the future any restraint of trade or commerce or any monopolization of the same, in whole or in part. And it is the fact that the existence of the corporation and of the other defendant companies, and their ownership of and control of properties, does not and will not involve, cause, or produce any restraint of such commerce or monopolization thereof, in whole or part.

This defendant does not contend that when a corporation or combination is formed in violation of the anti-trust act, then, so long as such combination or corporation continues and threatens to continue

to restrain trade or commerce or monopolize the same, in whole or part, a court of equity, upon the petition of the United States of America, may not enjoin the continuance of such unlawful restraint or monopolization, and may not, if necessary to prevent such
198 continuance of such unlawful restraint or monopoly, decree the dissolution of such corporation or combination; but he alleges that the foundation of the jurisdiction of a court of equity and the extent of its power in such cases is to restrain future violation of the anti-trust act. In this behalf defendant alleges that even if (which this defendant wholly denies) the corporation or any of the other corporate defendants herein was at the time of its formation or of the acquisition of its properties a combination or consolidation in restraint of trade or commerce, or then constituted a monopolization in whole or in part of such trade or commerce, nevertheless the fact is that at the time of the commencement of this suit neither the corporation nor any of the other corporate defendants was or caused a restraint of trade or a monopolization of the same, in whole or part; and neither this defendant nor any of the other defendants herein was at such time restraining or monopolizing any part of the trade or commerce in the iron or steel industry, or attempting so to do, either severally or in combination or cooperation with any of the other defendants herein, individual or corporate.

This defendant alleges that, on the contrary, the fact is that at the time of the commencement of this suit active and free competition and entire liberty of action and opportunity and business conduct existed on the part of all persons and corporations engaged in or desiring to engage in the iron and steel industry; that the output of the corporation and of the other corporate defendants herein, collectively, was, and for a long period had been, less than fifty per cent of the total output in the United States of America of the products manufactured by them; that the competitors of the corporation and its constituent companies included many corporations and concerns of immense strength and resources, abundantly able to compete, and which, in fact, did compete, in the manufacture and sale of iron and steel products upon equal terms of opportunity and freedom from restraint with each other and with the defendant corporation and its constituent companies; that the tendency of the development of the industry had been toward the increase of the absolute and relative capacity, output, and power of the concerns not connected with the corporation; and that the proportion of the total busi-
199 ness of the country in the steel industry done by the corporation had for a long period tended to grow smaller; and that at the time of the commencement of this suit the corporation had no power of domination or control over the industry or any part thereof, and had not exercised and was not exercising or attempting to exercise any such alleged power or control; that it then had no power to coerce or persuade its competitors to act in harmony with it or with its business policy, either as to prices or quantity or quality of output, or with respect to soliciting or not soliciting the business of

its or their customers; and that at the time of the commencement of this suit, and for a long period prior thereto, the prices of steel products had, in consequence of the competition so existing, violently fluctuated and varied, different prices being charged at different times by the same company, and different prices being charged at the same time by the different concerns engaged in the business; that perfect freedom existed and had existed among the consumers of steel products as to their choice of the producer from whom to buy the same, and that their choice was and had been influenced and directed by the desire of such customers to exercise the opportunity afforded by the competitive conditions thus arising of purchasing the supplies needed by them from the producer who offered the same upon the most favorable terms.

This defendant further alleges that the free competitive conditions thus existing at the time of the commencement of this suit will continue to exist in the future, and that the corporation has neither the power, the ability, the intention, or the desire to interfere in the future with such freedom of competitive conditions, or to restrain unreasonably or at all the trade or commerce among the several States or between the United States and foreign countries, or to monopolize the same in whole or in part.

XV.

This defendant, further answering such parts of the petition of the petitioner herein as allege the illegality of the existence and property ownership of the corporation and other corporate defendants, and pray for their dissolution, alleges, for a defense thereto, that such relief cannot in equity and good conscience be granted to the petitioner herein.

200 This defendant alleges that when the United States of America applies to a court of equity to overturn and disintegrate a great industrial organization, and when it appears that such industrial organization has been formed, perfected, and extended, and has operated for many years without objection or challenge by the United States of America as to the legality or propriety of its corporate existence and the acquisition or ownership of its properties, then the United States of America is, and ought to be, subject in a court of equity to the rules and limitations which guide and govern courts of equity and conscience everywhere in administering or refusing particular equitable relief; and in particular the petitioner herein is subject to the rule which requires a court of equity to refuse to a petitioner who has long been inactive a form of equitable relief which is not necessary for the protection of the petitioner's rights and interests as they exist at the time suit is brought or trial had, and which would inflict unnecessary and irreparable injury upon those who in the past have acted in good faith and in reliance upon the petitioner's acquiescence in their action.

This defendant in this behalf alleges that all the acts and transactions alleged in the petition herein to have been performed in and about the formation of the corporate defendants, and the acquisition by them of their respective properties, have been openly and publicly done, and done, on the part of those engaged in them, in actual good faith and with honest belief in their validity, legality, and propriety in all respects; that the petitioner has had knowledge of all such acts and transactions from the time of their occurrence and in most instances has had knowledge of the proposed action in advance of its occurrence; that the petitioner, until the bringing of this suit, has never by any act or deed questioned or objected to the validity of such acts or sought to prevent, restrain, or punish the same; and that, in good faith and in unquestioned reliance upon the validity of such acts and transactions, the corporate defendants herein have conducted their business, and the individual defendants and many hundreds of thousands or millions of other citizens of the United States of America and citizens of foreign countries have invested in the stocks and bonds of the corporation and
201 have, by reason of their investment, so changed their position that a disintegration or dissolution of the corporate defendants, as prayed for in the petition, would cause irreparable injury to them.

This defendant further alleges that the existence of the defendant corporations and their ownership of the properties heretofore acquired by them is not and does not, in or of itself, involve, cause, or produce any restraint in trade or monopoly in whole or part of trade or commerce, but that on the contrary trade and commerce in all branches of the steel industry are to-day and long have been wholly free and unrestrained, and competition in the industry is and long has been active and eager, and entire freedom of trade and commerce and freedom of opportunity to engage in and prosecute the steel industry in all its branches exists and long has existed on the part of all those engaged in or desiring to enter into such industry; and in this connection this defendant refers to and repeats, with the force as if herein again set forth at length, all the allegations contained in Article XIV of this answer.

This defendant alleges that, for the reasons and because of the facts thus generally stated, this petition, so far as it complains of the corporate existence of the corporate defendants and their acquisition or ownership of their respective properties, can not be maintained by the petitioner, and that the petitioner is not entitled to relief from this court of equity against the same, and can not consistently with the rules and practices of equity receive such relief.

This defendant alleges, further, that in so far as the said petition complains, not of the existence of the corporate defendants or the ownership by them of their properties, but of alleged specific acts of wrongdoing committed by the corporate defendants or by the individual defendants in the conduct of the business of the said companies, the said petition wholly fails to set forth any ground for

equitable relief at all, in that it shows affirmatively that as to most, if not all, of the said acts or conduct alleged to be wrongful, the same have ceased to be done or to be continued long prior to the commencement of this suit; and in that as to none of the material acts so alleged does it allege that the same were being continued at the time of the commencement of this suit, or would be con-
202 tinued or threatened to be continued subsequently thereto; and he alleges further that the fact is that none of the defendants herein were, at the time of the commencement of this suit, engaged in any of the alleged wrongful acts and practices in the conduct of business in the said petition alleged, and at such time were not threatening or intending to perform, repeat, renew, or continue any acts of wrongdoing of any nature whatsoever.

This defendant denies each and every allegation contained in the petition not hereinbefore expressly admitted.

This defendant denies all and all manner of unlawful combination and confederacy wherewith he is by the said petition charged, without this, that there is any other matter, cause, or thing in the said petitioner's said petition contained, material, or necessary for this defendant to make answer unto, and not herein or hereby well and sufficiently answered, confessed, traversed, and avoided or denied, is true to the knowledge or belief of this defendant; all which matters and things this defendant is ready and willing to aver, maintain, and prove as this honorable court shall direct, and humbly prays to be hence dismissed with his reasonable costs and charges in this behalf most wrongfully sustained.

EDMUND C. CONVERSE.

January 30, 1911.

SULLIVAN & CROMWELL,
Solicitors for Defendant Converse.
WM. NELSON CROMWELL,
FRANCIS D. POLLAK,
Of Counsel.

203 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendant Edmund C. Converse.

Filed February 29, 1912.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendant, Edmund C. Converse, for

replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendant, and that the answer of the said defendant is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, maintain, and prove as this honorable court shall direct, and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General of the United States.

204 In the District Court of the United States for the District of New Jersey.

United States of America, petitioner, *vs.* United States Steel Corporation and others, defendants.

Answer of defendant John D. Rockefeller.

Murray, Prentice & Howland, solicitors for defendant, John D. Rockefeller, 35 Wall Street, New York.
George Welwood Murray, of counsel.

205 In the District Court of the United States for the District of New Jersey. United States of America, petitioner, *versus* United States Steel Corporation and others, defendants. In equity. No. 6214.

ANSWER OF THE DEFENDANT, JOHN D. ROCKEFELLER.

This defendant, John D. Rockefeller, for answer to the petition exhibited against the defendants by the above-named petitioner, or to so much of the said petition as this defendant is advised that it is material or necessary for him to make answer unto, answering says:

First. Lake Superior Consolidated Iron Mines, hereinafter called the Lake Superior Company, was incorporated under the laws of the State of New Jersey in July, 1893. It was organized and incorporated by others than this defendant. At the time of its incorporation and for a considerable period afterward he owned no stock in it.

Early in the history of the Lake Superior Company this defendant sold to it certain shares of stock in the Aurora Mining Company, the Penokee-Gogebic Consolidated Mines, the Spanish-American Iron Company, the Adams Mining Company, and the Lone Jack Mining Company. For these interests he was first paid in bonds of the Lake Superior Company, but later, in January, 1894, exchanged the said bonds, so far as the same represented payment for his interests in the Aurora Mining Company, the Penokee-Gogebic Consolidated
206 Mines, and the Spanish-American Iron Company, for stock of the Lake Superior Company at par of the bonds for par of the stock. As this defendant is informed and believes, the Lake Superior Company was not a combination of mining interests previously competitive. Neither the purpose nor the effect of the formation of that company was in anywise a restraint of trade or commerce or a monopolization of trade or commerce within the meaning of the antitrust act. On the contrary, as this defendant is informed and believes, the properties acquired by the Lake Superior Company upon its organization, largely located in the State of Minnesota, were not previously competitive, and were at the time of the acquirement thereof by the Lake Superior Company owned in substantially the same interest.

When this defendant first became interested in the Lake Superior Company its mines were newly discovered, substantially undeveloped, and, so far as known, of comparatively small extent. The ore from these mines and from the Missabe Range generally, while frequently high in chemical constituents, was powdery and dusty in composition, not suited to iron blast furnaces as then constructed, and, as compared with rock ores of similar chemical constituents, was selling at a differential against Missabe ores of about $1.00 per ton. The railroad of the Duluth, Missabe & Northern Railway Company, all of whose stock came to be owned by the Lake Superior Company, was originally poorly built, with insufficient branches and without direct connection with Duluth.

As the result of judicious management and the expenditure of many million dollars the Lake Superior Company purchased numerous additional ore properties on the Missabe Range, greatly developed and improved those and its properties already owned, and the Duluth, Missabe & Northern Railway Company extensively improved its railroad and its docks in the harbor of Duluth, and greatly increased its equipment and efficiency.

The Bessemer Steamship Company was incorporated under the laws of the State of West Virginia in the year 1896. This defendant was the owner of all its stock save a few shares to qualify directors.
The company owned about fifty-six steel vessels, many of them
207 with large cargo capacity. About half of these vessels were built under the direction of this defendant between the year 1895 and the year 1901, and they were all engaged in the carrying of iron ore from Duluth, on Lake Superior, to ports on Lake Erie.

These vessels cost the steamship company about $9,000,000. This expenditure was quite aside from the millions of dollars expended by the Lake Superior Company and the Duluth, Missabe and Northern Railway Company, above referred to.

At the time of the sale, in 1901, of this defendant's interests in the Lake Superior Company and in the Bessemer Steamship Company to the Steel Corporation, the Lake Superior Company owned in fee, or under lease, or through stock ownership, valuable iron-ore properties in the State of Minnesota containing a large quantity of iron ore. The amount could not be stated with precision. The correctness of a statement would depend upon engineers' estimates, but the ore then believed by experts to exist probably amounted to three hundred million tons. The land containing these ores, while partly owned in fee, was partly held under leases reserving royalties payable to other persons or corporations or to the State of Minnesota, and in these royalties this defendant had no interest; and on the other hand a considerable part of the land was under lease to others than the Lake Superior Company, that company reserving only a royalty interest. By the time of the sale in 1901, above referred to, there had come about a radical change in the usual construction of blast furnaces; new furnaces were built and old furnaces were altered, so as to permit the use in furnace mixtures of much larger proportions of the soft ores from the Missabe Range than was usual or commercially possible in and about 1893 and there had consequently arisen, by 1901, a greatly increased demand for Missabe ore.

The Lake Superior Company owned the stock of the Duluth, Missabe & Northern Railway Company, of the par value of $2,512,500, and mortgage bonds of that company of the face value of over $2,000,000. The railroad of that company lay wholly in the State of Minnesota and extended from Duluth, Minnesota, to the Missabe Range, with several branches to different parts of the range, and the chief business of the road was the transportation of iron ore.

By the time of the sale to the Steel Corporation, hereinafter
905 mentioned, the railroad was very substantially built, at great expense, and had many extensive and expensive ore docks in the harbor of Duluth, and was well equipped and well managed. By reason of the large expenditures of these mining and railroad companies in the purchase of property and in improvements upon and development of that property, as well as the existence of low grades over a part of the railroad's route, and improvements upon the portions of the route where the grade was exceptionally steep, the railroad company was able to operate at a comparatively low cost, and if one should take no account of the probable exhaustion of the mines, upon which the railway was entirely dependent, its earnings were such as to make a considerable (although under the actual circumstances a fair) return upon the investment. The stock of the Lake Superior Company and the stock of the Bessemer Steamship Company sold by this defendant to the Steel Corporation in 1901

were not watered, but were fully worth in cash the price at which this defendant sold the same.

The defendant United States Steel Corporation, herein called the Steel Corporation, was organized and incorporated under the laws of the State of New Jersey in February, 1901. This defendant is informed and believes that prior to his sale to the Steel Corporation of his interests in the Lake Superior Company and in the Bessemer Steamship Company the organization of the Steel Corporation had been perfected and that it had acquired the stocks of the Carnegie Company, the Federal Steel Company, and other large corporations. The principal facts in that regard were notorious; they were known to this defendant only as one of the general public, and they were well known to the officials of the United States, the petitioner herein. It was not known or believed by this defendant that such acquisitions by the Steel Corporation constituted an offense against the antitrust act or against any other law, and, as this defendant believes, it was not then believed or asserted by the public authorities of the United States that such an acquisition would or could properly be deemed to constitute such an offense. No step was taken by the authorities of the United States to prevent the organization of the Steel Corporation or the acquisition by it of numerous and valuable properties or the completion of the combination, if combination there was. It was after such per-
209 fecting of the organization of the Steel Corporation and in reliance upon the matters just stated that this defendant sold to it his interests in the Bessemer Steamship Company and in the Lake Superior Company.

This defendant owned all the stock of the Bessemer Steamship Company, save a few shares necessary to qualify directors, and sold the same to the Steel Corporation for $8,500,000, which did not exceed the actual cost price of the company's properties nor the then fair cash value thereof. The purchase price was paid in cash. This defendant owned about twenty-five/twenty-ninths of the stock (represented by trustees' certificates) of the Lake Superior Company and sold the same to the Steel Corporation. The Lake Superior Company then had outstanding capital stock of the par value of $29,424,594. After the price of the stock had been determined this defendant agreed to accept preferred and common stock of the Steel Corporation in payment therefor. This resulted in an agreement to take for each $100 par value of stock of the Lake Superior Company, preferred stock of the par value of $135 and common stock of the par value of $135 of the Steel Corporation. This defendant made it a condition of his sale of any of his stock that the Steel Corporation should immediately offer the same terms to all other stockholders of the Lake Superior Company, nearly all of whom were persons unknown to him and with whom he had no other relation. The properties sold to the Steel Corporation, as here set forth, were fully worth the price received therefor.

Second. This defendant never had any active part in the management of the business of the Steel Corporation. Shortly after this defendant's sale above mentioned, he and his son, John D. Rockefeller, jr., were elected directors of the Steel Corporation. This defendant remained a director only until February 2, 1904, when he resigned. The defendant John D. Rockefeller, jr., remained a director only until March 1, 1910, when he resigned; and since the said respective resignations neither this defendant nor his said son has had any part in the management of the Steel Corporation.

This defendant is informed and believes that since the organization of the Steel Corporation it has expended large sums in
210 the improvement of old plants and in the construction of new plants, and that a considerable part of these expenditures has been met from earnings. He has no exact knowledge concerning earnings of the Steel Corporation nor has he any exact information concerning the present holdings of the Lake Superior Company, whether of iron mines or of stocks of companies owning iron mines, or otherwise. He has had no immediate relation to that company since his sale in 1901.

This defendant admits that the Steel Corporation had and has a large capital stock, partly preferred stock and partly common stock, but this defendant does not know nor has he information as to the precise amount thereof. Except as to the iron mines, mining railroad, and lake vessels included in this defendant's sale of stock in the Lake Superior Company and in the Bessemer Steamship Company (and concerning which this defendant fully answers herein), this defendant has no precise information concerning the capacity and extent of the properties owned by the Steel Corporation in 1901, although he is informed and believes that the properties then owned by that corporation were very extensive and of great value. Since the sale in 1901, above referred to, by this defendant to the Steel Corporation, this defendant has had no immediate relation to the iron or steel business or to the business of the transportation of ores, and he is not particularly informed concerning the same. What percentage of iron ore in Minnesota or in Michigan is now or has been controlled by the Steel Corporation this defendant does not know, nor has he any information concerning the same.

This defendant had no part in the formation of the Steel Corporation; he was not a member of any underwriting or other syndicate relating thereto; he had no part in fixing its capitalization or in planning its organization; he took no part in its behalf in the acquirement of properties or in the fixing of prices therefor; he was never a member of any committee of its board of directors, and save that from April 6, 1901, to February 2, 1904, he was a director of that corporation, he has never had any part in the management of its affairs. This defendant never entered into an agreement or combination in restraint of trade or commerce among the several States or with foreign nations, within the meaning of sec. 1 of the anti-trust act, as charged in the petition, nor did he ever enter into

211 a combination or combine with others to monopolize a part of the trade or commerce among the several States or with foreign nations, within the meaning of sec. 2 of the antitrust act, as charged in the petition; nor did he ever enter into any such combination with the Steel Corporation or with any of the individual defendants in this suit or with any of the companies named therein, as charged in the petition. This defendant's sole relation to the Steel Corporation was to sell to it certain property as in this answer set forth and to receive payment therefor, save as he was an elected but not active director for a limited period. If any combination or conspiracy in restraint of trade or commerce was entered into or any attempt made to monopolize trade or commerce, which on information and belief this defendant denies, this defendant had no part therein.

Third. This defendant was never a stockholder or otherwise interested in the Carnegie Company, the Carnegie Steel Company, the H. C. Frick Coke Company, the Federal Steel Company, the American Steel and Wire Company, the National Tube Company, the National Steel Company, the American Tin Plate Company, the American Steel Hoop Company, the American Sheet Steel Company, the American Steel Company, the Shelby Steel Tube Company, the Oliver Iron Mining Company, the Pittsburgh Steamship Company, the Union Steel Company, the American Bridge Company, the Clairton Steel Company, the Tennessee Coal, Iron & Railroad Company, or in any of the numerous other subordinate, constituent, or related companies enumerated in the petition. Defendant John D. Rockefeller, jr., was, prior to the said sale in 1901, a director of the Lake Superior Company; he is a director of the Delaware, Lackawanna & Western Railroad Company and of the American Linseed Company, and he was formerly but since January 10, 1910, has not been a director of the Standard Oil Company. This defendant was not nor was the Lake Superior Company a party to, nor had either any relation to, the Structural Steel Association, the Steel Rail Association, the wire-rope combination, the rubber-covered wire combination, the horseshoe manufacturers combination, the underground power cable combination, the weatherproof and magnet-wire combination, the lead-encased rubber cable combination, the
212 bare copper-wire combination, or to any other pool or pooling or similar agreement referred to in Article XI of the petition.

This defendant denies knowledge or information as to the truth of each and every allegation contained in the petition, except as in this answer expressly admitted or expressly denied, and therefore denies the same and leaves the petitioner to make such proof thereof as it may be able or advised to make.

Fourth. This defendant protests that this honorable court has no jurisdiction as against him of the suit or proceeding instituted by the filing of the said petition, in that this defendant is not a proper party to the said suit or proceeding and not a party necessary to the complete determination thereof; and this defendant denies that the petitioner is entitled to any relief whatsoever, or to any part of the

relief in said petition demanded, and alleges that the petitioner has no standing in this court or in any court of equity.

And this defendant prays in all this the same benefit and advantage of this his answer as if he had pleaded or demurred to the said petition.

Fifth. This defendant denies all and all manner of unlawful acts whatsoever wherein he is in anywise by the said petition charged; all of which matters and things this defendant is ready and willing to prove as this honorable court shall direct, and prays to be hence dismissed with his reasonable costs and charges in this behalf most wrongfully sustained.

JOHN D. ROCKEFELLER,
By MURRAY, PRENTICE & HOWLAND,
His Solicitors.
GEORGE WELWOOD MURRAY,
Of Counsel.

213 SOUTHERN DISTRICT OF NEW YORK,
County of New York, ss:

John D. Rockefeller, being duly sworn, deposes and says that he is the defendant answering by the aforesaid answer; that he has read the foregoing answer and knows the contents thereof; that so much of the foregoing answer as concerns the acts and deeds of this defendant is true to the knowledge of deponent, and that as to so much thereof as concerns the acts and deeds of any other person or persons he believes it to be true.

JOHN D. ROCKEFELLER.

Subscribed and sworn to before me this 18th day of January, 1912.
[NOTARIAL SEAL.] HARRY P. FISH,
Notary Public, No. 1191, County of New York.

214 In the District Court of the United States for the District of New Jersey. United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendant, John D. Rockefeller.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendant, John D. Rockefeller, for replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendant, and that the answer of the said defendant is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied, is true; all

which matters and things this replicant is ready to aver, maintain, and prove as this honorable court shall direct and humbly prays, as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States
for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General
of the United States.

Filed February 29, 1912.

215 In the District Court of the United States for the District of New Jersey.

United States of America, petitioner, *vs.* United States Steel Corporation and others, defendants.

Answer of defendant, John D. Rockefeller, junior.

Murray, Prentice & Howland, solicitors for defendant, John D. Rockefeller, junior, 35 Wall Street, New York.
George Welwood Murray, of counsel.

216 In the District Court of the United States for the district of New Jersey. United States of America, petitioner, versus United States Steel Corporation and others, defendants. In Equity. No. 6214.

ANSWER OF THE DEFENDANT, JOHN D. ROCKEFELLER, JUNIOR.

This defendant, John D. Rockefeller, junior, for answer to the petition exhibited against the defendants by the above-named petitioner, or to so much thereof as this defendant is advised that it is material or necessary for him to make answer unto, answering says:

First. On information and belief, as follows: Lake Superior Consolidated Iron Mines, hereinafter called the Lake Superior Company, was incorporated under the laws of the State of New Jersey in July, 1893. It was not organized or incorporated by this defendant nor by his father, the defendant John D. Rockefeller. Early in the history of the Lake Superior Company the defendant, John D. Rockefeller, sold to it certain shares of stock in the Aurora Mining Company, Penokee-Gogebic Consolidated Mines, Spanish-American Iron Company, Adams Mining Company, and Lone Jack Mining Company.

For these interests he was first paid in bonds of the Lake Su-
217 perior Company, but later, in January, 1894, exchanged the said bonds, so far as the same represented payment for his

interests in the Aurora Mining Company, the Penokee-Gogebic Consolidated Mines and the Spanish-American Iron Company, for stock of the Lake Superior Company, at par of the bonds for par of the stock. The Lake Superior Company was not a combination of mining interests previously competitive. Neither the purpose nor the effect of the formation of that company was in anywise a restraint of trade or commerce or a monopolization of trade or commerce within the meaning of the antitrust act. On the contrary, the properties acquired by the Lake Superior Company upon its organization, largely located in the State of Minnesota, were not previously competitive and were at the time of the acquirement thereof by the Lake Superior Company owned in substantially the same interest.

When the defendant, John D. Rockefeller, first became interested in the Lake Superior Company its mines were newly discovered, substantially undeveloped, and, so far as known, of comparatively small extent. The ore from these mines and from the Missabe Range generally, while frequently high in chemical constituents, was powdery and dusty in composition, not suited to iron blast furnaces as then constructed, and as compared with rock ores of similar chemical constituents was selling at a differential against Missabe ores of about $1.00 per ton. The railroad of the Duluth, Missabe & Northern Railway Company, all of whose stock came to be owned by the Lake Superior Company, was originally poorly built, with insufficient branches and without direct connection with Duluth.

As the result of judicious management and the expenditure of many million dollars, the Lake Superior Company purchased numerous additional ore properties on the Missabe Range, greatly developed and improved those and its properties already owned, and the Duluth, Missabe & Northern Railway Company extensively improved its railroad and its docks in the harbor of Duluth, and greatly increased its equipment and efficiency.

The Bessemer Steamship Company was incorporated under the laws of the State of West Virginia in the year 1896. The defendant, John D. Rockefeller, was the owner of all its stock, save a few
218 shares necessary to qualify directors. The company owned about fifty-six steel vessels, many of them with large cargo capacity. About half of these vessels had been built under the direction of the defendant, John D. Rockefeller, between the year 1895 and the year 1901, and they were all engaged in the carrying of iron ore from Duluth on Lake Superior to ports on Lake Erie. These vessels cost the Steamship Company about $9,000,000. This expenditure was quite aside from the millions of dollars expended by the Lake Superior Company and the Duluth, Missabe and Northern Railway Company, above referred to.

At the time of the sale in 1901 of the interests of the defendant John D. Rockefeller in the Lake Superior Company and in the Bessemer Steamship Company to the Steel Corporation, the Lake Superior Company owned in fee, or under lease, or through stock ownership, valuable iron-ore properties in the State of Minnesota,

containing a large quantity of iron ore. The amount could not be stated with precision. The correctness of a statement would depend upon engineers' estimates, but the ore then believed by experts to exist probably amounted to three hundred million tons. The land containing these ores while partly owned in fee was partly held under leases reserving royalties payable to other persons or corporations or to the State of Minnesota, and in these royalties this defendant had no interest, and, on the other hand, a considerable part of the land was under lease to others than the Lake Superior Company, that company reserving only a royalty interest. By the time of the sale in 1901, above referred to, there had come about a radical change in the usual construction of blast furnaces, new furnaces were built and old furnaces were altered so as to permit the use in furnace mixtures of much larger proportions of the soft ores from the Missabe Range than was usual or commercially possible in and about 1893, and there had consequently arisen by 1901 a greatly increased demand for Missabe ores.

The Lake Superior Company owned the stock of the Duluth, Missabe & Northern Railway Company, of the par value of $2,512,500, and mortgage bonds of that company of the face value of over $2,000,000. The railroad of that company lay wholly in the State of Minnesota and extended from Duluth, Minnesota, to
219 the Missabe Range, with several branches to different parts of the range, and the chief business of the road was the transportation of iron ore. By the time of the sale to the Steel Corporation, hereinafter mentioned, the railroad was very substantially built, at great expense, and had many extensive and expensive ore docks in the harbor of Duluth, and was well equipped and well managed. By reason of the large expenditures of these mining and railroad companies in the purchases of property and in improvements upon and development of that property, as well as the existence of low grades over a part of the railroad's route, and improvements upon the portions of the route where the grade was exceptionally steep, the railroad company was able to operate at a comparatively low cost, and if one should take no account of the probable exhaustion of the mines, upon which the railway was entirely dependent, its earnings were such as to make a considerable (although under the actual circumstances a fair) return upon the investment. The stock of the Lake Superior Company and the stock of the Bessemer Steamship Company sold to the Steel Corporation in 1901, as aforesaid, were not watered but were fully worth in cash the price at which the defendant John D. Rockefeller sold the same.

The defendant United States Steel Corporation, herein called the Steel Corporation, was organized and incorporated under the laws of the State of New Jersey in February, 1901. This defendant is informed and believes that prior to the sale to the Steel Corporation of the interests of the defendant John D. Rockefeller in the Lake Superior Company and in the Bessemer Steamship Company the organization of the Steel Corporation had been perfected and that

it had acquired the stocks of the Carnegie Company, the Federal Steel Company, and other large corporations. The principal facts in that regard were notorious; they were known to this defendant only as one of the general public, and they were well known to the officials of the United States, the petitioner herein. It was not known or believed by this defendant that such acquisitions by the Steel Corporation constituted an offense against the antitrust act or against any other law, and, as this defendant believes, it was then believed or asserted by the public authorities of the United States that such an acquisition would or could properly be deemed to
220 constitute such an offense. No step was taken by the authorities of the United States to prevent the organization of the Steel Corporation or the acquisition by it of numerous and valuable properties or the completion of the combination, if combination there was. It was after such perfecting of the organization of the Steel Corporation and in reliance upon the matters just stated that this defendant's father, the defendant John D. Rockefeller, sold to it his interests in the Bessemer Steamship Company and in the Lake Superior Company.

The defendant John D. Rockefeller owned all the stock of the Bessemer Steamship Company, save qualifying shares, and sold the same to the Steel Corporation for $8,500,000, which did not exceed the cost price of the company's properties nor the then fair cash value thereof. The purchase price was paid in cash. The defendant John D. Rockefeller owned about twenty-five twenty-ninths of the stock (represented by trustees' certificates) of the Lake Superior Company and sold the same to the Steel Corporation. The Lake Superior Company then had outstanding capital stock of the par value of $29,424,594. After the price of the stock had been determined, the defendant John D. Rockefeller agreed to accept preferred and common stock of the Steel Corporation in payment therefor. This resulted in an agreement to take for each $100 par value of stock of the Lake Superior Company, preferred stock of the par value of $135 and common stock of the par value of $135 of the Steel Corporation. The defendant John D. Rockefeller made it a condition of his sale of any of his stock that the Steel Corporation should immediately offer the same terms to all other stockholders of the Lake Superior Company, nearly all of whom were persons unknown to him and with whom he had no other relation. The properties sold to the Steel Corporation, as here set forth, were fully worth the price received therefor.

This defendant further says that he was not at any time an owner of stock in the Bessemer Steamship Company or of stock in the Lake Superior Company, save shares qualifying him as a director in each company.

Second. This defendant further says that he never had any active part in the management of the business of the Steel Corpora-
221 tion. Shortly after the sale above mentioned, he and his father, the defendant John D. Rockefeller were elected direc-

tors of the Steel Corporation. The defendant John D. Rockefeller remained a director only until February 2, 1904, when he resigned. This defendant remained a director only until March 1, 1910, when he resigned, and since the said respective resignations neither this defendant nor his father has had any part in the management of the Steel Corporation.

This defendant is informed and believes that since the organization of the Steel Corporation it has expended large sums in the improvement of old plants and in the construction of new plants, and that a considerable part of these expenditures has been met from earnings. He has no exact knowledge concerning earnings of the Steel Corporation nor has he any exact information concerning the present holdings of the Lake Superior Company, whether of iron mines or of stocks of companies owning iron mines or otherwise, he having had no immediate relation to that company since the said sale in 1901.

This defendant admits that the Steel Corporation had and has a large capital stock, partly preferred stock and partly common stock, but this defendant does not know nor has he information as to the precise amount thereof. Except as to the iron mines, mining railroad and lake vessels included in the above-mentioned sale of stock in the Lake Superior Company and in the Bessemer Steamship Company (and concerning which this defendant fully answers herein), this defendant has no precise information concerning the capacity and extent of the properties owned by the Steel Corporation in 1901, although he is informed and believes that the properties then owned by that corporation were very extensive and of great value. Since the sale in 1901, above referred to, this defendant has had no immediate relation to the iron or steel business or to the business of the transportation of ores, and he is not particularly informed concerning the same. What percentage of iron ore in Minnesota or in Michigan is now or has been controlled by the Steel Corporation this defendant does not know, nor has he any information concerning the same.

This defendant had no part in the formation of the Steel Corporation; he was not a member of any underwriting or other syn-
222 dicate relating thereto; he had no part in fixing its capitalization or in planning its organization; he took no part in its behalf in the acquirement of properties or in the fixing of prices therefor; he was never a member of any committee of its board of directors; and save that from April 6, 1901, to March 1, 1910, he was a director of that corporation, he has never had any part in the management of its affairs. This defendant never entered into an agreement or combination in restraint of trade or commerce among the several States or with foreign nations, within the meaning of sec. 1 of the anti-trust act, as charged in the petition, nor did he ever enter into a combination, or combine with others, to monopolize a part of the trade or commerce among the several States or with foreign nations, within the meaning of sec. 2 of the anti-trust act, as

charged in the petition; nor did he ever enter into any such combination with the Steel Corporation or with any of the individual defendants in this suit or with any of the companies named therein, as charged in the petition. If any combination or conspiracy in restraint of trade or commerce was entered into or any attempt made to monopolize trade or commerce, which on information and belief this defendant denies, this defendant had no part therein.

Third. This defendant was never a stockholder or otherwise interested in the Carnegie Company, the Carnegie Steel Company, the H. C. Frick Coke Company, the Federal Steel Company, the American Steel and Wire Company, the National Tube Company, the American Tin Plate Company, the American Steel Hoop Company, the American Sheet Steel Company, the American Steel Company, the Shelby Steel Tube Company, the Oliver Iron Mining Company, the Pittsburgh Steamship Company, the Union Steel Company, the American Bridge Company, the Clairton Steel Company, the Tennessee Coal, Iron & Railroad Company, nor was he ever a stockholder, or otherwise interested in any of the numerous other subordinate, constituent or related companies enumerated in the petition. This defendant was prior to the said sale in 1901 a director of the Lake Superior Company; he is a director of the Delaware, Lackawanna & Western Railroad Company, and of the American Linseed Company and he was formerly but since January 10, 1910, has not been a director of the Standard Oil Company. This defend-
223 ant was not nor was the Lake Superior Company a party to, nor had either any relation to, the Structural Steel Association, the Steel Rail Association, the wire-rope combination, the rubber-covered wire combination, the horseshoe manufacturers combination, the underground power cable combination, the weatherproof and magnet wire combination, the lead-encased rubber cable combination, the bare copper-wire combination, or to any other pool or pooling or similar agreement referred to in Article XI of the petition.

This defendant denies knowledge or information as to the truth of each and every allegation contained in the petition, except as in this answer expressly admitted or expressly denied, and therefore denies the same and leaves the petitioner to make such proof thereof as it may be able or advised to make.

Fourth. This defendant protests that this honorable court has no jurisdiction as against him of the suit or proceeding instituted by the filing of the said petition, in that this defendant is not a proper party to the said suit or proceeding and not a party necessary to the complete determination thereof; and this defendant denies that the petitioner is entitled to any relief whatsoever, or to any part of the relief in said petition demanded, and alleges that the petitioner has no standing in this court or in any court of equity.

And this defendant prays in all this the same benefit and advantage of this his answer as if he had pleaded or demurred to the said petition.

Fifth. This defendant denies all and all manner of unlawful acts whatsoever wherein he is in anywise by the said petition charged; all of which matters and things this defendant is ready and willing to prove as this honorable court shall direct, and prays to be hence dismissed with his reasonable costs and charges in this behalf most wrongfully sustained.

JOHN D. ROCKEFELLER, JR.,
By MURRAY, PRENTICE & HOWLAND,
His Solicitors.
GEORGE WELWOOD MURRAY,
Of Counsel.

224 SOUTHERN DISTRICT OF NEW YORK,
County of New York, ss.:

John D. Rockefeller, junior, being duly sworn, deposes and says that he is the defendant answering by the aforesaid answer; that he has read the foregoing answer and knows the contents thereof; that so much of the foregoing answer as concerns the acts and deeds of this defendant is true to the knowledge of deponent, and that as to so much thereof as concerns the acts and deeds of any other person or persons he believes it to be true.

JOHN D. ROCKEFELLER, JR.

Subscribed and sworn to before me, this 19th day of January, 1912.
[NOTARIAL SEAL.] HARRY P. FISH,
Notary Public, No. 1101, County of New York.

225 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendant, John D. Rockefeller, junior.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties and insufficiencies of the answer of the defendant, John D. Rockefeller, junior, for replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendant, and that the answer of the said defendant is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, maintain,

and prove as this honorable court shall direct and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States
for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General
of the United States.

Filed February 29, 1912.

226 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Answer of the West Missabe Land Company, Ltd., and others.

Kellogg & Emery, solicitors for the above-named defendants, 52 Broadway, Borough of Manhattan, New York City.
Frederic R. Kellogg, Dean Emery, of counsel.

226½ In the District Court of the United States for the District of New Jersey. United States of America *vs.* United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company, Limited, Wright Land Company, Limited, Davis Land Company, Limited, Wells Land Company, Limited, Stone Land Company, Limited, Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron
227 Mining Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees:

J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer. No. 6214.

The defendants West Missabe Land Company, Limited, Wright Land Company, Limited, Davis Land Company, Limited, Wells Land Company, Limited, Stone Land Company, Limited, Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, and Van Buren Iron Mining Company, jointly and severally answering the petition herein, respectfully show the court:

I. Answering the allegations of Subdivision VI of the petition, these defendants admit that under date of January 2nd, 1907, they entered into a certain indenture (which in the petition herein and in this answer is styled a "lease") with the Great Western Mining Company, a corporation created and existing under the laws of the State of Minnesota, which lease covered certain pieces or parcels of land and certain interests, by way of leasehold and otherwise, in certain other parcels of land, all of which lands contained or were supposed to contain large tonnages of iron ore, and which pieces
228 or parcels of land and interests in land had been previously acquired by the above-named defendants.

They admit that in said lease Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols joined as trustees, but they deny that the said trustees joined in the said lease as lessors, and they aver that the said trustees became parties to the said lease solely as agents of the lessors for certain particular purposes specified in the said lease, to which lease these defendants beg leave to refer.

They deny that the defendant J. H. Gruber joined in the said lease as trustee or otherwise.

They admit that the performance of the stipulations of the said lease by the said Great Western Mining Company was guaranteed by the above-named defendant, the United States Steel Corporation.

They admit that the lessee under said lease agreed to mine the ore upon the terms of the said lease and ship it over the Great Northen Railway, paying therefor a royalty, and that it was provided that the said lease might be surrendered on January 1st, 1915, on giving at least two years previous notice in writing.

These defendants beg leave to refer at the trial of this action to the said original lease as to all matters and things relating thereto and to each and every term and condition thereof.

II. Further answering the allegations of Subdivision VI of the petition, they deny that the said lease was executed by them, or

either of them, with the intent or purpose of preventing the ore contained in the lands covered by the said lease either from being mined and sold to independent "producers" (which word these defendants assume to be erroneously used instead of the word "purchasers"), or to prevent the said ore from being utilized to build up a new and dangerous competitor to the United States Steel Corporation in the iron and steel business.

229 These defendants deny that they have any knowledge or information as to whether the United States Steel Corporation desired, in making said lease, to prevent said ore either from being mined or sold to independent purchasers or from being utilized to build up a new and dangerous competitor to said United States Steel Corporation in the iron and steel business, except that these defendants knew that the effect of this lease, as of all leases, would be to grant to the lessee, to the exclusion of all other persons, the rights established thereby.

They deny that the practical effect of the said lease was to forestall competition or to increase to any undue or improper extent the United States Steel Corporation's control of the ore resources of the country or to destroy or forestall competition in iron ore even in the general locality in which the lands covered by the said lease were situated, except that they admit and aver that the lease in question covers large amounts (but not, as these defendants believe, an undue or improper quantity in the light of the reasonable necessities of the business of the United States Steel Corporation) of iron ore of a value greatly in excess of the royalties payable under the said lease, and that the said lease was and is an asset of value to the United States Steel Corporation and the Great Western Mining Company, and would have been an asset of value to any other party who might have taken a lease covering the said properties upon the same terms.

They deny that the royalty agreed to be paid pursuant to the terms of the said lease was unprecedentedly, or to any extent, large, or in any wise in excess of the reasonable, fair, and true value of the considerations and rights granted by said lease; and they further deny that the amount of the said royalty shows the extent to which the United States Steel Corporation was willing to go to prevent the said ore from falling into the hands of its competitors or to

230 prevent or in any way discourage competition; and they further deny that the amount of the said royalty shows any intent or furnishes any evidence or indication whatever of any intent on the part of the United States Steel Corporation or the Great Western Mining Company in making said lease other than an intention to acquire for the proper and ordinary purposes of their business, and upon reasonable, ordinary, and proper terms, a supply of ore from the lands covered by the said lease.

These defendants further aver that the said royalty was fixed by these defendants in accordance with the established and regular market prices for such ores as the said prices existed in the localities in which the said lands were situated at or about the time of the

making of the said lease, and that the said royalty was thus fixed solely upon the basis of what these defendants deemed and still deem to be a reasonable and fair return to them for the considerations and rights granted to the said lessee, and was thus fixed without any other or ulterior purpose or intent.

They admit that by the execution of the said lease the position of the United States Steel Corporation was strengthened, as would have been the position of any lessee who had taken a lease covering the said properties upon the terms of the lease in question, but they deny that the said lease was executed by them, or either of them, with any purpose or intent to strengthen the dominating or other position of the United States Steel Corporation or for any purpose or intent other than the desire to turn to account in a legal, reasonable, and proper manner the properties and assets owned and controlled by these defendants, respectively.

III. Further answering the allegations of Subdivision VI of the petition, they deny that the effect of said lease, or the purpose or intent of the said defendants, or of any of them, in making the said lease, was to shut off competition by preventing the establish-
231 ment of a competitor to the United States Steel Corporation or otherwise, or to secure to the said United States Steel Corporation or to any other party an undue power over the steel business by controlling the source of supply of ore by taking it out of the market or otherwise, or to restrain trade or commerce or to create a monopolization within the meaning of the antitrust act or otherwise.

They aver that they have no knowledge or information as to the allegations contained in the said petition to the effect that the purpose of the United States Steel Corporation was to shut off competition by preventing the establishment of a competitor to the United States Steel Corporation, or to secure to the said corporation an undue power over the steel business by controlling the source of supply of ore by taking it out of the market or otherwise, or to restrain trade or commerce or to create a monopolization within the meaning of the antitrust act or otherwise.

Further answering this portion of the petition these defendants, and each of them, aver that the lease in question was made by them and each of them, and that valuable considerations and rights were granted thereby in good faith and in the due and proper conduct of the business and affairs of the said defendants, and each of them, and upon a royalty and other terms, which are and were believed by the said defendants, and each of them, to be legal, reasonable, proper, and fair, and without any purpose or intention on the part of these defendants, or either of them, to conspire or cooperate with or to assist the United States Steel Corporation or the Great Western Mining Company, or any other person or party, to shut off or forestall competition or to prevent the building up or establishment of a new or dangerous competitor in the iron or steel business, or to

strengthen or secure a dominating or undue position in the iron and steel business, or to secure an undue power over the steel business by controlling the source of supply of ore by taking it out of the market or otherwise, or to restrain trade or commerce, or to create a
232 monopolization, or to in any wise violate or contravene the United States antitrust law or any other law of the United States, and without any knowledge by or notice to these defendants of any intention on the part of the United States Steel Corporation or the said Great Western Mining Company or any other person or party to do any of the acts or accomplish any of the results last above specified. And these defendants and each of them aver and respectfully submit that whatsoever the effect of the said lease may be, or may be considered to be, these defendants and each of them were innocent parties thereto, were not participants in any guilty or illegal purpose or intent (if any such purpose or intent existed) which the United States Steel Corporation or the Great Western Mining Company entertained, or may have entertained, and that whatsoever decree may be entered herein against the United States Steel Corporation, or any of the defendants other than those now answering, the said decree should fully and amply protect these defendants in each and every of the rights of whatsoever nature the same may be, secured or purported to be secured to them, or either of them, by the terms of the said lease and guaranty, and of each and every collateral or supplementary or other agreement or contract which at any time was entered into between these defendants or any of them, and any one or more of the other defendants herein.

IV. Further answering the allegations of Subdivision VI of the petition, these defendants admit that the lessee under the lease has served notice of surrender of the said lease to take effect January 1st, 1915, and admit that until that time the said lease will remain operative according to its terms, as to which, as hereinbefore prayed, these defendants beg leave to refer at the trial to the original lease itself.

V. Answering the allegations of Subdivision X of the petition, these defendants deny that they or any of them in the year
233 1907, or at any other time, entered into an agreement or combination with the United States Steel Corporation or the Great Western Mining Company in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1 of the antitrust act, or otherwise, and also deny that they or any of them entered, in the said year 1907, or at any other time, into any combination to monopolize any part of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the said antitrust act or otherwise.

VI. Further answering the allegations of Subdivision X of the petition, these defendants deny that they or any of them have at any time become or are parties to any plan or combination between the United States Steel Corporation and its controlled companies, or any other parties, by which these defendants, or the said United

States Steel Corporation or said controlled companies or any of them, or any other parties have partially destroyed competition in trade or commerce among the States or with foreign nations, or have by their strength or otherwise, acquired a great or unwholesome influence over competitors whereby they are brought into harmonious action with the United States Steel Corporation in restricting competition or in restraining such trade and commerce.

VII. Answering the allegations of Subdivision XII of the petition, these defendants deny each and every averment contained in the said subdivision to the effect that any system of interlacing or interlocking of directorates exists or ever has existed whereby any of the officers or directors of any of these defendant corporations are or have been officers or directors of the United States Steel Corporation, or of any of its constituent, subsidiary, or controlled companies, or whereby any of the officers or directors of the United States Steel Corporation or of any of its constituent, subsidiary or controlled companies are, or have been officers or directors of any
234 of these defendant corporations, and they aver that no such situation has at any time existed or now exists.

VIII. Answering the allegations of Subdivision XIII of the petition, these defendants deny each and every allegation of the said subdivision to the effect that they or any of them, or any officer or other person representing them or any of them, have at any time participated at any meetings, under the auspices of the United States Steel Corporation or otherwise, of representatives of any percentage or portion of the iron or steel trade in the United States; and they likewise deny that in any direct or indirect way have they participated in any such meeting or meetings, or in any exchange of information, or common understanding, or expressions of opinion, or concerted action, or declaration of intention, or policy laid out, or consensus of opinion, or agreement, or combination, or conspiracy of any nature whatsoever, either with reference to changing or maintaining or controlling prices of commodities or of any property whatsoever, or as to output, or as to any other matter or thing.

IX. Further answering the allegations of Subdivision XIII of the petition, these defendants and each of them deny that by means of any pools, agreements, meetings, or acts, whether set forth in the said petition or otherwise, they or any of them have at any time combined or conspired in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1 of the antitrust act, or to monopolize any part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act.

X. These defendants aver that they have no knowledge or information in reference to each and every of the other allegations contained in any subdivisions or portions of the petition except those which they have herein expressly admitted or denied.

235 XI. And these defendants deny all and all manner of unlawful combination and confederacy wherewith they are by

the said petition charged; without this, that if there is any other matter, cause, or thing in the said petition contained, material or necessary for these defendants to make answer unto and not herein and hereby well and sufficiently answered, confessed, traversed, and avoided or denied, the same is not true to the knowledge and belief of these defendants; all of which matters and things these defendants are ready and willing to aver, maintain, and prove as this honorable court shall direct, and humbly pray to be hence dismissed with their reasonable costs in this behalf most wrongfully sustained.

West Missabe Land Company, Limited; Wright Land Company, Limited; Davis Land Company, Limited; Wells Land Company, Limited; Stone Land Company, Limited; Wabigon Iron Company; Minosin Iron Company; Nibiwa Iron Company; Wenona Iron Company; Minawa Iron Company; Leonard Iron Mining Company; Arthur Iron Mining Company; Fillmore Iron Mining Company; Harrison Iron Mining Company; Jackson Iron Mining Company; Polk Iron Mining Company; Tyler Iron Mining Company; Van Buren Iron Mining Company. By Kellogg & Emery (Frederic R. Kellogg, Dean Emery), Solicitors and Counsel, 52 Broadway, Borough of Manhattan, New York City.

In the District Court of the United States for the District of New Jersey.

United States of America vs. United States Steel Corporation and others.

238 ONE HUNDRED AND SIXTY-THIRD DAY.

ST. PAUL BUILDING,
220 BROADWAY, NEW YORK CITY,
Tuesday, March 10, 1914.

Before Special Examiner Henry P. Brown.
Present on behalf of the United States, Mr. Henry E. Colton.
Present on behalf of the defendants named below, Mr. Frederic R. Kellogg:
West Missabe Land Company Limited.
Wright Land Company.
Davis Land Company, Limited.
Wells Land Company, Limited.
Stone Land Company, Limited.
Wabigon Iron Company.
Minosin Iron Company.

Nibiwa Iron Company.
Wenona Iron Company.
Minawa Iron Company.
Leonard Iron Mining Company.
Arthur Iron Mining Company.
Fillmore Iron Mining Company.
Harrison Iron Mining Company.
Jackson Iron Mining Company.
Polk Iron Mining Company.
Tyler Iron Mining Company.
Van Buren Iron Mining Company.
Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, and J. H. Gruber, as trustees.

Mr. KELLOGG. I present a stipulation entered into on Novem-
239 ber 24, 1913, between Kellogg & Emery, solicitors for the above-named defendants, and J. M. Dickinson and Henry E. Colton, special assistants to the Attorney General, together with the supplemental answer and Exhibits A, B, and C, referred to in the said stipulation, and request that they be made a part of the record herein, as between the petitioner and the parties defendant, represented by Kellogg & Emery, and for no other purpose.

240 *Stipulation.*

In the District Court of the United States for the District of New Jersey.

United States of America, plaintiff, against United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company, Limited, Wright Land Company, Limited, Davis Land Company, Limited, Wells Land Company, Limited, Stone Land Company, Limited, Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining
241 Company, Tyler Iron Mining Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being

sued as trustees, J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer, defendants.

It is hereby stipulated by and between the attorneys for the petitioner and the attorneys for the defendants whose names are signed hereunto, as between their respective clients and for no other purpose, as follows:

I. That the proposed supplemental answer, of which a copy is hereunto annexed, be and it is accepted and received as a supplemental pleading in this cause without the necessity of argument of the pending motion in respect thereof.

II. That the acceptance of said supplemental answer shall not in any manner waive the right of the petitioner to object to evidence of any of the facts therein set forth upon any ground whatsoever (this, however, not to permit any objection based upon lack of adequate pleading of the said facts).

III. For the purpose of avoiding the necessity of calling witnesses, and subject to all objections as stated in Clause II hereof, and for the purpose of being placed upon the record in this cause, the following facts are conceded:

(a) That the agreements annexed to the said supplemental
242 answer and marked Exhibits A, B, and C were actually entered into between the parties thereto and at the dates specified in the said supplemental answer.

(b) That on or about the first day of March, 1912, the Great Western Mining Company actually surrendered, pursuant to the terms of the said agreements, all lands previously occupied or claimed by it under the lease referred to in the said supplemental answer, other than the lands upon which the said Great Western Mining Company is now actually operating mines or which it is using for stripping dump purposes.

(c) That the percentage of the total acreage covered by the said lease of January, 1907, of which the Great Western Mining Company, the lessee thereunder, still retains possession is 2.23 per cent of the total acreage.

(d) That the total tonnage of iron ore contained in the lands originally leased pursuant to said lease of January, 1907, according to the Minnesota tax commission's estimate of May, 1912, was 254,314,430 tons, which amount of ore it is agreed said ore lands contained on or about March 1st, 1912, at which time, of the said lands originally leased under said lease as aforesaid, the Great Western Mining Company relinquished possession of ore lands containing 210,446,332 tons, pursuant to the agreements, Exhibits A, B, and C, annexed to the supplemental answer above referred to.

(e) That upon the surrender of possession by the Great Western Mining Company of the lands hereinbefore specified, the lessors under the said lease of January, 1907, resumed possession thereof.

Dated November 24, 1913.

KELLOGG & EMERY,
Solicitors for West Missabe Land Co., Ltd., and others, Defendants.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General.

243 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and and others. No. 6214.

Supplemental answer of the West Missabe Land Company, Ltd., and others.

Kellogg & Emery, solicitors for the above-named defendants, 52 Broadway, Borough of Manhattan, New York City.
Frederic R. Kellogg; Dean Emery, of counsel.

244 In the District Court of the United States for the District of New Jersey. United States of America *vs.* United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company, Limited; Wright Land Company, Limited; Davis Land Company, Limited; Wells Land Company, Limited; Stone Land Company, Limited; Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company; Louis
245 W Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees; J. P. Morgan, Charles Steele, George W. Perkins, E. H.

Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edumund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer.

The defendants West Missabe Land Company, Limited; Wright Land Company, Limited; Davis Land Company, Limited; Wells Land Company, Limited; Stone Land Company, Limited; Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, and Van Buren Iron Mining Company, and Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, said named individuals being sued as trustees, jointly and severally answering the petition herein in this their supplemental answer filed by stipulation, and in addition to the denials, admissions, and averments of their original answers heretofore filed herein, respectfully show to the court:

First. That since the filing of the original answers of the above-named defendants in this proceeding, and under date of March 1st, 1912, two certain contracts were entered into between the Great Western Mining Company, one of the above-named defendants, and the defendants now answering; that said contracts are hereunto annexed and made a part of this answer and marked Exhibits A and B, respectively.

That at or about the time of the actual signature or de-
246 livery of the said contracts, dated March 1st, 1912, and under date of May 3rd, 1912, a further understanding or agreement was entered into between these defendants now answering and the said Great Western Mining Company, which understanding was not reduced to a formal contract, but was set forth in a letter addressed to Mr. W. J. Olcott, president of the Great Western Mining Company, and signed by Louis W. Hill, one of the above-named defendants; that a full and true copy of said letter is likewise hereto annexed and marked Exhibit C and made a part of this answer.

Second. That as a result of said contracts and agreements the original mining lease executed under date of January 2nd, 1907, between the Great Western Mining Company and these defendants now answering, became and was substantially modified and affected to the extent set forth in the said Exhibits A, B, and C, and that except as provided in the said exhibits the said lease dated January 2nd, 1907, became and was and ever since has been cancelled, annulled, and rescinded, and that the said Great Western Mining Company, the lessee thereunder, abandoned all claims and rights under the said original lease except as provided in the said Exhibits A, B, and C.

Third. That immediately following the execution of the said Exhibits A, B, and C, the defendant, the Great Western Mining Company, the lessee under the said original lease dated January 2nd, 1907, abandoned and surrendered possession of all of the lands covered thereby, except as provided in the said exhibits hereto annexed, to the lessors under the said original lease, and that the said lessors thereupon resumed possession of the said lands thus surrendered, and thereafter themselves commenced to develop, operate, and enjoy the lands thus released to them; and that the said defendant, the Great Western Mining Company, since the execution of the said agreements, Exhibits A, B, and C, has been operating solely upon the lands reserved to it by the terms of the said exhibits and not otherwise.

All of which matters and things these defendants are ready
247 and willing to aver, maintain, and prove as this honorable court shall direct, and humbly pray to be dismissed with their reasonable costs in this behalf most wrongfully sustained.

West Missabe Land Company, Limited; Wright Land Company, Limited; Davis Land Company, Limited; Wells Land Company, Limited; Stone Land Company, Limited; Wabigon Iron Company; Minosin Iron Company; Nibiwa Iron Company; Wenona Iron Company; Minawa Iron Company; Leonard Iron Mining Company; Arthur Iron Mining Company; Fillmore Iron Mining Company; Harrison Iron Mining Company; Jackson Iron Mining Company; Polk Iron Mining Company; Tyler Iron Mining Company; Van Buren Iron Mining Company; Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, as trustees. Kellogg & Emery, solicitors and counsel, 52 Broadway, Borough of Manhattan, city of New York, N. Y.

248 *Exhibit A.*

(Copy.)

This agreement, dated this first day of March, A. D. 1912, made by and between the West Missabe Land Company, Limited; Wright Land Company, Limited; Davis Land Company, Limited; Wells Land Company, Limited; Stone Land Company, Limited, partnership associations, organized under the laws of the State of Michigan; and the Wabigon Iron Company; Minosin Iron Company; Nibiwa Iron Company; Wenona Iron Company; Minawa Iron Company; Leonard Iron Mining Company; Arthur Iron Mining Company; Fillmore Iron Mining Company; Harrison Iron Mining Company; Jackson Iron Mining Company; Polk Iron Mining Company; Tyler Iron Mining Company; and Van Buren Iron Mining Company, corporations created and existing under the laws of the

State of Minnesota, hereinafter called the lessors, parties of the first part; Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, the trustees mentioned in that certain lease from the West Missabe Land Company, Limited, and others to the Great Western Mining Company, bearing date the second day of January, 1907, hereinafter called the trustees, parties of the second part; and Great Western Mining Company, a corporation created and existing under the laws of the State of Minnesota, hereinafter called the lessee, party of the third part, witnesseth:

Under date of January 2, 1907, the parties aforesaid entered into a certain indenture of mining lease covering and demising the certain lands and premises in said lease described; and reference is hereby made to said lease for a full description of all said lands with like effect as if such descriptions were fully embodied in this agreement. Such lease is commonly known as, and is hereinafter called, the Hill lease.

The lessee heretofore gave notice of its intention to surrender
249 and of the termination of the aforesaid mining lease on the thirty-first day of December, 1914, and as well of the termination upon said date of all the right, title, interest, and estate of the lessee in and to all the lands and interests in lands by said lease demised; and the trustees and the lessors accept said notice, and all of the parties acknowledge and agree that said lease will, by giving such notice, in accordance with the terms of said lease, be at an end at twelve o'clock midnight on the thirty-first day of December, 1914.

The lessee has not been actively operating or using and will be unable to actively operate or use, between the date hereof and December 31, 1914, many of the mines and lands by said lease demised. In view whereof the lessors and the trustees have requested the lessee to release and surrender from the operation of the said Hill lease such of said mines and lands as the lessee does not expect to operate or use during the period aforesaid (being the same mines and lands hereinafter in subdivision (1) released), to the end that the lessors and the trustees may proceed with the development and use of such mines and lands or make such other disposition thereof as to them may seem best; and as to such mines and lands, the lessee is willing, upon the terms and conditions hereinafter stated, to relinquish and surrender the same, to the end that the request of the lessors and the trustees be complied with, and that the lessee shall be now in respect to such mines and lands hereinafter released, except as hereinafter specified, wholly relieved of and from all duties and obligations created or existing under and by virtue of the aforesaid lease, or under or by virtue of any of the underlying leases, or to any of the parties interested in any of the lands covered by said lease.

Now, therefore, in consideration of the premises and of the benefits accruing to the lessors and the trustees on the one hand and to the lessee on the other, the parties hereto do hereby make the following agreement:

(1) The lessee hereby and of the date hereof surrenders and releases unto the lessors all the right, title, interest, estate, and possession of the lessee in and to all of the lands, interests in lands
250 and premises in the Hill lease described, acquired, created, or existing under or by virtue of the said lease; always saving, excepting, and reserving, however, from the operation and effect of the aforesaid surrender and release all of the right, title, interest, and estate of the lessee created and existing under and by virtue of said lease or of any written agreement or agreements in modification of said lease or supplemental thereto in and to the certain lands, interests in lands and premises described as follows, to wit:

SCHEDULE A LANDS.

Lot one (1) of section six (6) in township fifty-eight (58) north of range seventeen (17) west in St. Louis County, Minnesota, known as the Fay mine:

The west half of the southwest quarter (W. ½ or SW. ¼) of section twenty-eight (28) in township fifty-eight (58) north of range twenty (20) west in St. Louis County, Minnesota, known as the Leonard mine:

The north half of southwest quarter (N. ½ of SW. ¼) of section two (2) in township fifty-seven (57) north of range twenty-one (21) west in St. Louis County, Minnesota, known as the North Uno mine;

The south half of southwest quarter (S. ½ of SW. ¼) of section two (2) in township fifty-seven (57) north of range twenty-one (21) west in St. Louis County, Minnesota, known as the South Uno mine:

The southwest quarter of southwest quarter (SW. ¼ of SW. ¼) (sic) of section three (3) in township fifty-seven (57) north of range twenty-one (21) west in St. Louis County, Minnesota, known as the Dale mine:

The southwest quarter (SW. ¼) of section seven (7) in township fifty-seven (57) north of range twenty-one (21) west in St. Louis County, Minnesota, known as the Mace mine:

The northwest quarter of northwest quarter (NW. ¼ of NW. ¼) of section eleven (11) in township fifty-seven (57) north of range twenty-one (21) west in St. Louis County, Minnesota, known as the Harold mine:

The southeast quarter of southeast quarter (SE. ¼ of
251 SE. ¼) of section fourteen (14), and the east half of northeast quarter (E. ½ of NE. ¼) of section twenty-three (23) in township fifty-seven (57) north of range twenty-two (22) west in Itasca County, Minnesota, known as the Mississippi mine;

An undivided one-half of the south half of northeast quarter (S. ½ of NE. ¼) and southeast quarter of northwest quarter (SE. ¼ of NW. ¼) of section seventeen (17) in township fifty-six (56) north of range twenty-three (23) west in Itasca County, Minnesota, known as the Hill mine;

An undivided one-half of the southeast quarter of northwest quarter (SE. ¼ of NW. ¼), northeast quarter of southwest quarter (NE. ¼ of SW. ¼), south half of southwest quarter (S. ½ of SW. ¼), and southwest quarter of southeast quarter (SW. ¼ of SE. ¼) of section twenty (20), and the northwest quarter of northeast quarter (NW. ¼ of NE. ¼), north half of northwest quarter (N. ½ of NW. ¼), and southeast quarter of northwest quarter (SE. ¼ of NW. ¼) of section twenty-nine (29) in township fifty-six (56) north of range twenty-three (23) west of Itasca County, Minnesota, known as the Hill mine stripping lands;

The north half of northeast quarter (N. ½ of NE. ¼) of section twenty-one in township fifty-six (56) north of range twenty-four (24) west in Itasca County, Minnesota, known as the North Star mine;

The southeast quarter of northeast quarter (SE. ¼ of NE. ¼) of section twenty-seven (27) in township fifty-six (56) north of range twenty-four (24) west in Itasca County, Minnesota, known as part of the Holman-North Star stripping lands; and

An undivided one-half of the south half of northwest quarter (S. ½ of NW. ¼) and north half of southwest quarter (N. ½ of SW. ¼) of section twenty-nine (29) in township fifty-six (56) north of range twenty-four west in Itasca County, Minnesota, known as the Walker Mine;

the which said lands and premises above particularly described under the heading "Schedule A lands" are hereinafter for convenience referred to as the "Schedule A lands."

252 (2) The covenants of Article XIV of the Hill lease with reference to taxes shall remain in force, in respect to the lands released, up to and including the year 1911, and the lessee further agrees to pay all the taxes for the year 1911 and one-sixth of the taxes for the year 1912. As to such one-sixth, payment shall be made to the trustees, one-half thereof on or before May 30, 1913, and one-half thereof on or before October 30, 1913. Accurate statement of the amount so to be paid for the year 1912 shall be rendered by the trustees to the lessee on or before the first day of May, 1913.

The lessors accept and take over all the lands, interests in lands, and premises surrendered and released as aforesaid, and accept the foregoing surrender and release thereof, and, subject to the foregoing exception as to taxes, the lessors and the trustees do hereby forever release, acquit, and discharge the lessee of and from any and all further duty or obligation in respect thereof created or existing under and by reason of having entered into said Hill lease or growing out of the same.

(3) As to said Schedule A lands, the said Hill lease (including all modifying and supplemental written agreements in relation to or touching said lands) remains and is in full force and effect from the date hereof until twelve o'clock midnight of the thirty-first day of December, 1914 (and if anything be wanting in respect of said lease, in order to give to it as to said Schedule A lands full force and effect

for all purposes of this present agreement, the same is hereby given anew), and shall then cease and determine in accordance with said notice of surrender and the acceptance thereof and as provided by the terms of said lease, and the minimums in said Hill lease specified for the years 1912, 1913, and 1914 shall be mined or paid for and the royalties on ore mined shall be at the rates in said Hill lease specified and hereafter said lease as modified and supplemented by written agreements prior to or contemporaneous with this instrument shall be construed and interpreted as though the same had originally included and been a demise of said Schedule A lands only; and
253 the lessee shall have the right, at any time within ninety days after such termination, to remove all engines, tools, machinery, railway tracks, buildings, dwellings, and structures and all other property of every nature and description erected or placed by the lessee upon the demised premises as provided in Article XXII of said lease.

(4) As to certain of the lands hereinbefore surrendered and released, and notwithstanding such surrender and release thereof, the parties have, and hereby do, enter into the new relationships hereinafter specifically set forth, to wit:

(a) In connection with its mining operations in and upon the said Dale Mine and the said South Uno Mine, the lessee is hereby granted the right to use as stockpiling grounds for the stockpiling of merchantable ores mined from said mines or either of them that part of the surface only of the southwest quarter of northwest quarter (SW. ¼ of NW. ¼) and (so far as the interest of the lessors is concerned) northwest quarter of southwest quarter (NW. ¼ of SW. ¼) of section eleven (11) in township fifty-seven (57) north of range twenty-one (21) west in St. Louis County, Minnesota, which is indicated by the blue print hereto attached, marked "Exhibit 1" and made part hereof; and such right shall include the right to lay and have thereon and thereto railroad tracks and such other facilities as are properly incident to the principal purpose aforesaid. It is understood and agreed, however, that the lessee shall remove such stockpile or stockpiles and shall ship, deliver, and pay for the same in accordance with the terms of the Hill lease prior to January 1st, 1915, subject only to such privileges in respect thereto as are granted by subdivision (7) hereof.

(b) In the north half of southwest quarter (N. ½ of SW. ¼) of section seventeen (17) in township fifty-six (56) north of range twenty-three (23) west in Itasca County, Minnesota, the lessee shall have all and singular the right, license, and privilege (but no more) granted and allowed under the certain agreement of even date herewith by and between the aforesaid Polk Iron Mining Com-
254 pany and Jackson Iron Mining Company as parties of the first part; the trustees as parties of the second part; the lessee as party of the third part; the Nibiwa Iron Company as party of the fourth part; and the Lorain Iron Mining Company, a corporation existing under the laws of the State of Minnesota, as party of the

fifth part; and said agreement is the same agreement hereinafter referred to in subdivision (11) hereof.

(5) In order that they may not become an occasion for misunderstanding, the following matters are here set down, to wit:

Lean ore material from the aforesaid North Uno mine is being stockpiled on the easterly 40-acre tract of the aforesaid South Uno mine; and, inasmuch as the easterly 40 of said North Uno mine is owned by the aforesaid West Missabe Land Company, Limited, and the westerly 40 thereof by the Northwestern Improvement Company, a New Jersey corporation, it is understood that further removals of lean ore material from said North Uno mine may continue to be made and stockpiled until said termination date, upon the 40-acre tract aforesaid; and the west Missabe Land Company, Limited, will made (sic) between itself and the Northwestern Improvement Company such agreement or agreements as may be necessary in the premises and as will insure to the latter company its rights and interests in said stockpiles, with the right to remove the same.

Lean ore material from the aforesaid South Uno mine is being stockpiled on the westerly 40 of the aforesaid North Uno property; and inasmuch as the easterly 40 of said South Uno mine is owned by the said West Missabe Land Company, Limited, and the westerly 40 thereof by the said Northwestern Improvement Company, it is understood that further removals of lean ore material from said South Uno mine may continue to be made and stockpiled upon until said termination date, the 40-acre tract aforesaid; and the West Missabe Land Company, Limited, will make between itself and the Northwestern Improvement Company such agreement or
255 agreements as may be necessary in the premises and as will insure to the former company its rights and interests in said stockpiles with the right to remove the same.

Certain lean ore material taken out of the aforesaid Walker mine has been stockpiled upon lands in which none of the parties hereto have any interest. The lessee has, therefore, procured from the owners of such land, and is contemporaneously with the delivery hereof delivering to the trustees, leases and agreements satisfactory to them in regard to such stockpiles.

As respects the interests of the Leonard Iron Mining Company, permission is hereby given to the lessee to license the American Mining Company, a New Jersey corporation and the lessee of the mining lease covering the property known as the Clark mine, to drive, in a good and workmanlike manner, a drift in the northwest quarter of southwest quarter (NW. ¼ of SW. ¼) of the aforesaid section twenty-eight (28) (the same being a part of the Leonard mine) near to and parallel with the north boundary line thereof, and to connect the same by raises and crosscuts or other convenient means with the adjoining said Clark mine; and also to license said American Company, for the remainder of the term of its lease of said Clark mine, to use in and about its mining operations in and upon said Clark mine property the said drift, raises, crosscuts or other

convenient connections, always provided that such use shall not, especially after the termination of the Hill lease, be permitted to interfere with any mining operations that the Leonard Company or the trustees or anyone holding under them, or either of them, may desire to conduct in and upon said Leonard mine. All ore mined from said northwest quarter of southwest quarter (NW. ¼ of SW. ¼) in driving said drift and in making said raises and crosscuts or other convenient connections shall be mined and hoisted through a shaft or shafts upon said Clark mine property and be and remain the property of the lessee or its licensee; and promptly upon the completion of the said drift, raises, and crosscuts or other convenient connections the same shall be measured up and the ore sampled jointly by two engineers, one appointed by the trustees and the other by
256 the lessee, and the royalty thereon shall be paid by the lessee, according to the quantity and quality thereof so ascertained, as if the same had been mined and shipped away from a shaft located upon the Leonard property; and such ore shall be shipped over the Great Northern Railway.

The lessee has been and is mining and working certain parts of the Leonard mine through and by means of a shaft and certain drifts located upon land adjacent to the Leonard mine (that is to say, in the northwest corner of the northeast quarter of northwest quarter (NE. ¼ of NW. ¼) of section thirty-three (33) in township fifty-eight (58) north of range twenty (20) west, in said St. Louis County, and in the southwest corner of the southeast quarter of southwest quarter (SE. ¼ of SW. ¼) of section twenty-eight (28) in the township and range aforesaid, under permission from the fee owner and the lessee of said premises so to do. It is understood that there will be no interruption of the operations of the lessee in the manner aforesaid so long as the lessee has the right of mine (sic) any ore from the Leonard mine; but nothing herein shall be construed to divest the lessors or the trustees of their lien upon all the said ore mined through and by means of such shaft, or relieve the lessee of its obligation to transport the same over the Great Northern Railway and to pay the royalty thereon in accordance with the terms and conditions of the Hill lease.

The lessors or trustees shall have the same right of inspection of the said drifting, raising, and cross cutting, also of the shipping of said ores as is given them under the Hill lease.

(6) The West Missabe Land Company, Limited, the owner of the southeast quarter of southeast quarter (SE. ¼ of SE. ¼) of section three (3) and the northeast quarter of northeast quarter (NE. ¼ of NE. ¼) of section ten (10) in township fifty-seven (57) north of range twenty-one (21) west, in St. Louis County, Minnesota, heretofore granted to the lessee, subject to the mining lease thereof held by the Mahoning Ore & Steel Company, the right to have and
257 maintain on said lands certain railroad tracks, coal docks, and other buildings and structures necessary or convenient in the operation of the aforesaid South Uno and Dale mines. The leases or

licenses granting such rights are terminable on sixty days' notice given by the West Missabe Land Company, Limited, to the lessee. It is now agreed that so far as said West Missabe Land Company, Limited, is concerned said lease shall be and remain in full force and effect until the first day of January, 1915 (subject always to the rights of the lessee of the said Mahoning lease), and that the lessee shall have ninety days after said date, or such longer period as may be agreeable to said Mahoning Company and said West Missabe Land Company, Limited, in which to remove its tracks, docks, and other property from said premises.

(7) Inasmuch as the Hill lease provides for the mining and shipment by the lessee during the year 1914 of a large tonnage of ore, to wit: 6,000,000 tons, it is understood and agreed that if on account of strikes or lockouts or other unexpected causes or delays (except such as may be caused by the negligence of the lessee) at the mines, furnaces, docks, or in any of the transportation facilities, the lessee is unable to ship away from the mines in 1914 all of its stockpiles of iron ore, it shall have, and is hereby granted, the right to load and ship away the same during the next ensuing season of navigation (that is, during the season of navigation in 1915) to the extent, but no more of any payments by way of deficiency or minimum made under Article V of the Hill lease for which no ore has theretofore been mined and shipped away; and as to all ore so shipped the terms of the Hill lease shall fully apply and govern as to the title therein, the place and method of delivery thereof, and as to the time, manner, place, and amount of payment of the balance of the royalty thereon and the transportation charges therefor.

(8) It is understood and agreed that all the said Schedule A lands have been explored in the manner and to the extent provided in Article II of said lease, and that the lessee is not required to do any further exploratory work or drilling upon said lands.

258 (9) As to all of the lands surrendered and released in and by subdivision (1) hereof the lessee shall and agrees that it will execute and deliver to the lessors or the trustees such further instruments evidencing such surrender as the lessors or the trustees may from time to time desire to have and may request for the purpose of recording the same.

(10) As respects the release and surrender in subdivision (1) hereof contained, it is understood that the same and all the provisions of subdivision (2) shall be deemed to include and cover all the rights and all the obligations of the Oliver Iron Mining Company or any other contractor, agent, or servant of the lessee, who, the lessee now undertakes, will execute such further instruments as may be necessary to be executed by them or either of them in order to give full effect to the said subdivisions (1) and (2), as the lessors may request.

(11) Notwithstanding anything hereinbefore contained, it is understood and agreed that contemporaneously with the delivery of this instrument all the parties interested, including the Lorain Iron Min-

ing Company, have entered into an agreement of even date with respect to the operation of said Hill and Walker mines both before and for a certain period after the termination of said Hill lease; and reference to said agreement is hereby made for greater particularity.

(12) It is further understood and agreed that the lessors, or some of them, and the trustees will grant or join in the granting of certain licenses and agreements with reference to convenience of operation, which said licenses and agreements are listed and described in Exhibit II hereto attached.

(13) All covenants, provisions, terms, and conditions of this agreement shall run with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors in the trust, legal representatives, successors in interest and assigns, respectively.

259 (14) The said trustees join herein for the purpose of consenting to all the terms and conditions of this agreement, and in so far as their agreement to the same may be necessary to give full force and effect to all the terms and conditions thereof they join herein.

In witness whereof, the parties hereto have duly executed this instrument in triplicate on the day and year first above written.

Signed and acknowledged by all the proprietary companies of Great Northern Iron Ore Properties, Leonard Iron Mining Company, the trustees and Great Western Mining Company.

Acknowledgments dated April 25th, 30th, and May 3, 1912.

Exhibit B.

(Copy.)

This agreement, dated the first day of March, 1912, made by and between the Polk Iron Mining Company and Jackson Iron Mining Company, parties of the first part, hereinafter called the proprietors; Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, the trustees mentioned in that certain lease from West Missabe Land Company, Limited, and others, to the Great Western Mining Company, bearing date the second day of January, 1907, parties of the second part, hereinafter called the trustees; the Great Western Mining Company, party of the third part, hereinafter called the Great Western Company; the Nibiwa Iron Company, party of the fourth part, hereinafter called the Nibiwa Company; and the Lorain Iron Mining Company, party of the fifth part, hereinafter called the Lorain Company; each of the companies aforesaid being a corporation created and existing under the laws of the State of Minnesota, witnesseth:

260 Subject to the mining lease hereinafter described, the Jackson Iron Mining Company is the owner in fee simple of an undivided one-half interest in and of the south half of south-

west quarter (S. ½ of NW. ¼) and north half of southwest quarter (N. ½ of SW. ¼) of section twenty-nine (29) in township fifty-six (56) north of range twenty-four (24) west in Itasca County, Minnesota, which premises are for convenience hereinafter referred to as the Walker mine; and subject to said lease, the Polk Iron Mining Company is the owner in fee simple of an undivided one-half interest in and of the south half of northeast quarter (S. ½ of NE. ¼) and southeast quarter of northwest quarter (SE. ¼ of NW. ¼) of section seventeen (17) in township fifty-six (56) north of range twenty-three (23) west in Itasca County, Minnesota, which premises are for convenience hereinafter called the Hill mine; and

Inter alia, said interests in said mines were leased and demised to the Great Western Company by and under that certain mining lease (hereinafter called the Hill lease), dated January 2, 1907, made to it by the West Missabe Land Company, Limited, Jackson Iron Mining Company, Polk Iron Mining Company, Nibiwa Iron Company, and other companies. The Hill lease expressly provides that it applies only to the undivided one-half of the ore in the said mines (the same being part of the lands in such lease referred to as the so-called Walker lands), and provides that royalties are to be paid on only one-half of the ore mined from the said mines, and that only one-half of such ore is to be delivered to the Great Northwestern Railway Company for transportation; and

The Great Western Company is now working the said two mines under and by virtue of the said Hill lease, in respect to the undivided one-half interest therein by the said lease demised, and, as to the other undivided one-half interest therein, under and by virtue of a certain operating contract which it has with the Lorain Company, the owner in fee simple of such other undivided one-half interest. The Hill lease and all interest and estate thereunder of the Great Western Company in the two said mines will terminate at twelve o'clock midnight, December 31, 1914; and

The Great Western Company desires to so arrange its [61] mining operations in said two mines that between the date hereof and the termination of the Hill lease as aforesaid, approximately only one-half the quantity of ore shall be mined and shipped therefrom which would be mined and shipped therefrom through operations continued under the conditions above recited, and that for the period of four years after such termination the Great Western Company shall have the right, for itself and the Lorain Company, to mine and ship from the said two mines upon the terms and conditions as hereinafter more particularly set forth, a quantity of ore of the same royalty value as that shipped between the date hereof and said termination date of the Hill lease.

Now, therefore, in consideration of the premises and of the benefits accruing hereunder to the proprietors, the Nibiwa Company and the grantors, the receipt and sufficiency whereof hereby are acknowledged, the parties hereto do hereby agree, each with the others, as follows:

(1) It is understood and agreed by and between the proprietors and the trustees, on the one hand, and the Great Western Company, on the other, that, for the period commencing with the date hereof and continuing until January 1, 1915 (hereinafter referred to as the first period), but no longer, all the ore mined and shipped by the Great Western Company from the said mines, or either of them, it being understood that quantity thereof will not exceed approximately 3,000,000 tons, shall be deemed to be mined and shipped and shall be considered in all respects as if mined and shipped under and pursuant to the terms of the Hill lease, and as if the proprietors were the owners of the whole of said mines and entitled to the royalty and full payment at the full price per ton set forth in the Hill lease upon each ton of ore mined and shipped from said mines instead of the proprietors being the owners of only an undivided one-half interest in said mines and being entitled during said period to royalty and full payment upon only one-half of the ore mined from said mines and to have only one-half of said ore delivered to the Great Northern Railway Company for transportation.

And the Great Western Company covenants and agrees with the other parties hereto, but also expressly for the use and benefit of the Great Northern Railway Company and the Allouez Bay Dock Company, and each of them, that all ore mined and shipped from the said mines during the first period shall be shipped under and in accordance with the terms of the Hill lease, and that it will pay the proprietors therefor all royalties and payments, at the same prices per ton and in the manner and at the same time or times and at the place as in the Hill lease set forth and required; provided, however, that nothing in this subdivision contained shall be construed to prevent the Great Western Company from having and taking credit for any deficiency or minimum payment heretofore or hereafter by it made under the Hill lease, for or on account of which no ore has theretofore been shipped.

(2) It is further understood and agreed that for the period of four years commencing January 1, 1915, and ending December 31, 1918 (hereinafter referred to as the second period), but no longer, the Great Western Company shall have and is hereby granted the exclusive right for itself and for the Lorain Company to mine and ship from the said mines, or either of them, and to take and to have for its or their own use and benefit, when and as within the second period it or they elect, a tonnage of ore, of itself merchantable or of concentrates resulting from treatment, as in the Hill lease provided, or of both, which in the aggregate shall be equal to or the equivalent of the tonnage of iron ore, mined and shipped from the said mines, or either of them, by the Great Western Company during the first period; that is to say, the Great Western Company shall have the right during the second period to take from the said mines, or either of them, a quantity of ore the royalty value of which, based upon the schedule of prices fixed by the Hill lease for the year nineteen hundred twelve, shall equal the royalty value, upon that same

basis, of the ore shipped from the said mines, or either of them, during the year 1912, and a further quantity of ore the royalty
263 value of which, based upon the schedule of prices fixed by the Hill lease for the year nineteen hundred thirteen, shall equal the royalty value, upon that same basis, of the ore shipped from the said mines, or either of them, during the year 1913, and also a further quantity of ore the royalty value of which, based upon the schedule of prices fixed by the Hill lease for the year nineteen hundred fourteen, shall equal the royalty value, upon that same basis, of the ore shipped from the said mines, or either of them, during the year 1914; it being the intention hereof that the royalty value of the ore taken during the second period shall be equal to the royalty value of the ore taken during the first period at the prices fixed by the Hill lease for the years nineteen hundred twelve, nineteen hundred thirteen, and nineteen hundred fourteen applied to the quantities shipped in those years respectively. In determining royalty values for the years 1912, 1913, and 1914, respectively, the transportation and dockage charges at current rates shall be deducted from the said schedule of prices.

(3) The Great Western Company further covenants and agrees with the other parties hereto, but also expressly for the use and benefit of the Great Northern Railway Company and the Allouez Bay Dock Company, and each of them, that if during the second period a greater tonnage of ore shall be mined and shipped from the said two mines than the tonnage shipped therefrom during the first period, then it will, not later than the season of navigation next ensuing the end of the second period, ship over the line of the Great Northern Railway Company such tonnage of ore from the said two mines, or one of them, or from some other mine or mines as favorably located with which such railway company then has track connections, as, together with the tonnage of ore shipped from the said two mines by it during the first period over the line of the said railway company, shall equal a full one-half of the tonnage mined and shipped from the said two mines over all lines of railway during the whole period commencing with the date hereof and ending December 31, 1918.

264 (4) Notwithstanding anything hereinbefore contained, it is the intention of this agreement that neither the Great Western Company nor the Lorain Company shall ship, either during the first period or the second period, any ore grading less than forty-nine per cent (49%) in metallic iron, except it be necessary to do so because of the same being so located in the ground as to render the mining and shipment thereof necessary in practical operation in the mining of the ores grading forty-nine per cent (49%) or over in metallic iron. If, during either of the said periods, any ore grading less than forty-nine per cent (49%) in metallic iron shall be mined and shipped, the same shall be considered and treated as in addition to the tonnage which may be shipped during the said periods, as hereinbefore provided; and the Great Western Company covenants and agrees with

the other parties hereto, but also expressly for the use and benefit of the Great Northern Railway Company and the Allouez Bay Dock Company, and each of them, that not less than one-half thereof shall be shipped over the line of the Great Northern Railway Company, and that the royalty upon said one-half shall be paid at the price per ton fixed by and in accordance with the terms and conditions of the Hill lease. It is, however, understood that nothing in this subdivision contained shall in anywise abridge or lessen the right of the Great Western Company, during the first period, or of said company or the Lorain Company, during the second period, to wash or screen or otherwise treat, in accordance with Article III of the Hill lease any of the iron ores mined from said mines during either the first or the second period or to ship under subdivision (1) and (2) of this agreement any product or concentrate resulting from such washing or treatment containing more than 49% in metallic iron.

(5) During the second period, all the mining operations of the Great Western Company and the Lorain Company, or of either of them, as hereinbefore provided, shall be carried on in a good and workmanlike manner and as is customary and usual in similar mining operations when conducted by a prudent miner or operator,
265 and at the end of said second period all the rights of the great Western Company and the Lorain Company created by virtue of this agreement shall wholly cease and determine.

(6) During the second period the Great Western Company and the Lorain Company, or one of them, shall pay all such taxes upon the said Hill and Walker mines as shall be applicable to the tonnage mined and shipped away from the said mines during the second period; and all other taxes upon the said mines shall be payable, an undivided one-half thereof by the proprietors or the trustees and an undivided one-half thereof by the Great Western Company and the Lorain Company, or one of them.

(7) In addition to any reports and statement required by the Hill lease the Great Western Company will furnish, or cause to be furnished, to the proprietors or the trustees such further statements or railroad weights of ore mined and shipped in each year and of the quality thereof as shall be necessary to a full and complete adjustment of the accounts between the trustees and the Great Western Company of all shipments of ore from the two said mines during the entire period beginning with the date hereof and ending December 31, 1918.

(8) The Nibiwa Company is the owner in fee simple of the north half of southwest quarter (N. ½ of SW. ¼) of section seventeen (17) aforesaid. While the Great Western Company held the said lands under the Hill lease, it did not mine any ore therefrom or carry on any active mining operations therein, but it nevertheless had an entrance out or mine approach thereon leading into the Hill mine and also had certain buildings, structures, and other mining facilities thereon constructed and used in connected (sic) with the operation of said mine; and the said entrance out or mine approach, buildings,

structures, and other mining facilities still remain upon the said lands. The Nibiwa Company for the considerations aforesaid hereby gives and grants unto the Great Western Company and the Lorain Company, or either of them, the right, license, and privilege of

266 using said eighty-acre tract and all the surface thereof in all convenient ways in connection with its mining operations at said Hill mine from the date hereof until the thirty-first day of December, 1918, except that such right shall not, as respects the Lorain Company, begin until the first day of January, 1915; always provided, however, that neither the Great Western Company nor the Lorain Company shall have the right to mine or remove any iron ore from said eighty-acre tract; and said companies and each of them shall, at the termination of the license by this subdivision granted, surrender said premises to the Nibiwa Company and the trustees and shall have six months thereafter within which to remove the tracks, buildings, structures, and other improvements from off said land.

(9) Subject to the Hill lease, the Polk Iron Mining Company is the owner in fee simple of an undivided one-half interest in and of the certain premises situated in Itasca County, Minnesota, described as follows, to wit:

The southeast quarter of northwest quarter (SE. ¼ of NW. ¼), northeast quarter of southwest quarter (NE. ¼ of SW. ¼), south half of southwest quarter (S. ½ of SW. ¼), and southwest quarter of southeast quarter (SW. ¼ of SE. ¼) of section twenty (20), and the northwest quarter of northeast quarter (NW. ¼ of NE. ¼), north half of northwest quarter (N. ½ of NW. ¼), and southeast quarter of northwest quarter (SE. ¼ of NW. ¼) of section twenty-nine (29), all in township fifty-six (56) north of range twenty-three (23) west; and said lands are the so-called Hill mine stripping grounds.

During the second period, the Great Western Company and the Lorain Company, or either of them, hereby are granted, as respects the said undivided one-half interest of the Polk Iron Mining Company, the right and license to use said stripping lands for the wasting thereon of Hill mine stripping, the stock piling thereon of Hill mine lean ore material, and for any other purposes necessary or convenient in connection with their operations in and upon the said Mill mine as fully as and to the same extent that the Great Western Company now has to use said lands for said purpose.

267 (10) The Lorain Company, the owner as aforesaid in fee simple of an undivided one-half interest in the two aforesaid mines, joins in the execution of this agreement for the purpose of evidencing its full consent thereto.

(11) All the covenants, provisions, terms, and conditions of this agreement shall run with the lands described and shall inure to the benefit of and be binding upon the parties hereto, their successors in the trust, legal representatives, successors in interest, and assigns, respectively.

(12) The said trustees join herein for the purpose of consenting to all the terms and conditions of this agreement, and in so far as their agreement to the same may be necessary to give full force and effect to all the terms and conditions thereof they join herein.

In witness whereof the parties hereto have duly executed this instrument in quadruplicate on the day and year first above written.

Signed, witnessed, and acknowledged.

Exhibit C.

(Copy.)

MAY 3, 1912.

Mr. W. J. OLCOTT,
President Great Western Mining Company,
Duluth, Minnesota.

DEAR SIR: In connection with the contracts of which delivery was this day made, we reached an understanding which has not yet been made the subject of formal contract regarding the following matters, to wit:

(1) The following described real estate, of which the Lorain Iron Mining Company owns an undivided one-half interest and the Jackson Iron Mining Company an undivided one-half interest, namely:

268 Lots 4 and 5 of section 4 and lots 8, 9, and 10 and the southeast quarter of the northwest quarter of section 6, in township 55 north, range 24 west, fourth principal meridian; the northeast quarter of the southeast quarter of section 32, and the southeast quarter of the northwest quarter and the north half of the southwest quarter of section 33, township 56 north, range 24 west, fourth principal meridian, according to the United States Government subdivisions thereof, situate in the county of Itasca, State of Minnesota,

has been occupied by you in the course of your mining operations, and for the purpose of protecting you as to your past occupation and in your future operation, the Jackson Iron Mining Company is to execute to you an instrument in form satisfactory to our respective counsel, which shall constitute a complete release on account of any use you may make of the waters of Trout Lake in the operation of your concentrating plant at that point and on account of the depositing of tailings therein.

The Jackson Iron Mining Company is also to execute the necessary instruments to give you right of way for any existing tracks upon the lands above described, whether they be the tracks of the Great Western Mining Company, the Oliver Iron Mining Company, the Duluth, Missabe & Northern Railway Company or any other of the companies which you represent; such instrument to be in the form heretofore adopted and now usually given between our companies.

The Jackson Iron Mining Company is also to give you an easement for your transmission line as now located or constructed across any of the lands above described; the line referred to being the line leading from the generating station on Trout Lake to your mines and buildings in the Canisteo district; also easements for existing drains and ditches, such easements to be in the same form as the agreement concerning transmission line, dated March 1, 1912, and this day delivered.

You are also to have the right until January 1, 1915, notwithstanding the fact that you have by instrument dated March 1, 1912,
269 surrendered from the Hill lease the lands above described to use such lands for stripping, dumping, and stock piling purposes to the same extent that you might have done had the same been retained in said lease, provided, however, that no stripping is to be deposited upon or stock piling done upon lots 4 and 5 of section 4, township 55 north, range 24 west; and provided further, that no stripping deposits are to be made on any of said lands except from the Walker mine, nor to exceed in quantity 500,000 yards, between the date hereof and January 1, 1915.

(2) You are to have executed for us by the proper company the necessary instrument or instruments giving us an approach and entrance into any mine or mines opened on section 16–56–23, said approach or entrance to be through and over S. ½ of NE. and SE. of NW. of section 17–56–23; and also the necessary instrument or instruments giving us an approach and entrance into any mine or mines opened on the North Star properties, so called, in section 17–58–19, said entrance to be through the Sharon mine property; but such instruments shall provide that such rights shall not interfere with any mining operations which may be carried on upon the properties crossed by such approaches.

Formal contracts covering the above understanding to be drawn and approved by counsel and to be executed as soon as prepared.

Kindly confirm the understanding stated in this letter.

Yours, very truly,

(Sgd.) LOUIS W. HILL.

Mr. COLTON. All matters set forth in the foregoing stipulation and exhibits as occurring subsequent to October 26, 1911, the date of the filing of the petition in this cause, are objected to as irrelevant and immaterial.

Mr. KELLOGG. I also present a stipulation dated March 9, 1914, between Kellogg & Emery, solicitors for the above-named defendants, and J. M. Dickinson and Henry E. Colton, special assistants to the Attorney General, and request that this stipulation likewise be made a part of the record herein as between the petitioner and the parties defendant, represented by Kellogg & Emery, and for no other purpose.

270 *Stipulation.*

In the District Court of the United States for the District of New Jersey.

United States of America, petitioner, *against* United States Steel Corporation and others, defendants.

For the purpose of avoiding the necessity of calling witnesses upon the points hereinafter specified, and the delays incident thereto, and for the purpose of minimizing the size of the record herein, it is

Stipulated by the petitioner and the parties defendant, represented by Messrs. Kellogg & Emery, as between the petitioner and said defendants in this cause and for no other purpose, that the following statement of facts may be read into the record as between said petitioner and said defendants, subject to any objection as to the materiality and relevancy of such facts, all objections, however, based upon the ground that witnesses are not called or original documents not produced being hereby waived.

I. That under date of January 2nd, 1907, the said defendants, represented by Messrs. Kellogg & Emery (other than the defendant J. H. Gruber), executed to the Great Western Mining Company a mining lease of which the following are the essential points so far as necessary for purposes of this action:

(a) Said lease covers certain lands aggregating approximately 39,295.88 acres, a portion of which are held under leaseholds from other parties.

271 (b) A division of said lands is approximately as follows:

	Acres.
Owned in fee	19,933.81
Owned in fee jointly with others, of which the lessor companies' proportion is 7,914.95 acres	15,972.26
Held by lease	3,389.81
Total	39,295.88

(c) The term of the said lease as to lands owned in fee and mineral rights owned by the said lessors is to continue until all merchantable iron ore grading 49% and upwards in units of metallic iron shall have been mined and transported therefrom, with an option to lessee to mine lower-grade ore on the basis of the minimums or substantiated minimums herein provided.

(d) The term of the lease as to leasehold estates is for the respective terms of the said underlying leases less three months.

(e) The lessee is granted the privilege of exploring for mining, shipping, and removing all the merchantable iron ore that might be found therein and thereon, with the right and privilege to enter upon each parcel leased to it and explore for and mine and ship

therefrom the iron ore. Certain other privileges are granted as to erecting buildings, railroads, and other appurtenances and the cutting of timber without charge so far as necessary for fuel and for the construction of buildings, and for drains, tramways, supports, or shafts.

(f) All leases of leased lands are made subject to the terms of the underlying leases, which the lessee agrees to abide by, but the lessee's only obligation as to the rate of extraction of ores from this land is to exhaust the merchantable ore bodies within the lifetimes of said leases.

(g) Under Article II the lessee binds itself to make certain explorations of the leased lands and to do certain drilling and to
272 make reports to the lessors in respect to the results thereof, with a privilege to the lessee to surrender all lands not found to possess ore sufficient in quantity and quality to warrant the opening and working of mines thereon.

(h) Under Article III the lessee is given the privilege of washing certain ores mingled with foreign substances and of paying royalty only in respect of and upon the concentrates resulting therefrom.

(i) In Article III are contained provisions regulating the mixing of ores and the sampling and analyzing thereof, and the furnishing of certificates of the results to the lessor trustees.

(ii) By the terms of the said lease the lessee is required to make explorations in accordance with Article II and to open and operate mines in the said lands, and to ship from such mines and from such as are already opened in the leased lands iron ore to such an amount that the aggregate of the shipments in each year from all the leased lands shall not be less than the following quantities:

750,000 tons in the year	1907
1,500,000 tons in the year	1908
2,250,000 tons in the year	1909
3,000,000 tons in the year	1910
3,750,000 tons in the year	1911
4,500,000 tons in the year	1912
5,250,000 tons in the year	1913
6,000,000 tons in the year	1914
6,750,000 tons in the year	1915
7,500,000 tons in the year	1916
8,250,000 tons in the year	1917

and in each year thereafter.

(j) It is further provided that if the lessee fails to mine and ship the required minimum quantity in any one year it shall nevertheless make payment for the deficiency and receive credit for payment of any ore which has not been shipped, such payments to be made at the price (less transportation and dockage charges) provided
273 for ore averaging fifty-nine per centum in metallic iron for the year in which such payments shall be made. For any such deficiency or minimum payment the lessee has the right to take

credit in and for any subsequent year when more than the minimum for such subsequent year shall be mined and shipped upon the basis therein provided.

(k) The lessee is bound to load all iron ore mined by it on cars to be furnished by the Great Northern Railway Company, the lessors agreeing to cause the railway company to haul such ore to the docks at Superior, Wisconsin. The lessee has the right to divert ores to other railways if convenient, on condition of substituting an equivalent quantity of ores from mines not leased under said lease.

(l) For each ton of ore mined, transported, assorted, docked, and delivered at Superior during the year 1907 from all leased lands the lessee agrees to pay the lessors as royalty and full payment the prices set down in the following schedule, according to the percentage or fraction thereof of metallic iron in such ore, as determined by analysis as provided in the lease, to wit:

Per cent iron.	Royalty per ton.	Per cent iron.	Royalty per ton.	Per cent iron.	Royalty per ton.
49	$1.1680	55	$1.4572	61	$1.7464
50	1.2162	56	1.5054	62	1.7946
51	1.2644	57	1.5536	63	1.8428
52	1.3126	58	1.6018	64	1.8910
53	1.3608	59	1.6500	65	1.9392
54	1.4090	60	1.6982	66	1.9874

with an increase of 3.4 cents per ton every year for all grades specified.

For ore less than 49 per cent, the total charge is fixed at $1.10 per ton without change or annual increase, provided that if any such ores are mined from subleases on which there is a higher royalty payment than 30 cents, then the Steel Corporation's royalty shall be equal to that stipulated in the original lease.

The following table shows the basic royalties (being the
274 royalties upon ore containing 59 per cent. of iron) for the years 1907 to 1916, inclusive, as increased at the rate of 3.4 cents per ton per annum:

1907	$1.650	1912	$1.820
1908	1.684	1913	1.854
1909	1.718	1914	1.888
1910	1.752	1915	1.922
1911	1.786	1916	1.956

(m) Provision is made in Article VII for the releasing and surrendering of lands held by the lessors under underlying leases upon exhaustion of the merchantable ore bodies therein.

(n) Article VIII provides for mining lands held under underlying leases in such a manner as to exhaust the ore bodies therein during the term of such leases.

(o) Articles IX provides in detail for the disposition of waste, for the disposition of nonmerchantable ore, for depositing waste, and for the manner in which mining operations shall be conducted.

(p) Article X provides for the inspection of the operations of the lessee by the lessors and their authorized agents.

(q) Article XI provides that the lessee shall have the right to remove other ores than iron or manganese upon the basis therein fixed.

(r) Article XII provides a right of reentry in the event of certain defaults on the part of the lessee.

(s) Article XIII relates to the question of the title to ores mined and insolvency of the lessee.

(t) Article XIV provides for the payment of taxes and assessments and for the protection of the lessee of the leased properties from liens or encumbrances.

(u) Article XV contains provision as to railroads and highways.

(v) Article XVI contains warranties of title by the lessors.

275 (w) Article XVII provides that the lessee shall have the right to surrender this lease on January 1st, 1915, after having given at least two years previous notice in writing to the trustees. (It is further stipulated that this notice was duly given and that thereafter on or about March 1st, 1912, the lessors and the lessee entered into certain agreements, which are covered by stipulation in this action dated November 24th, 1913.)

(x) The remaining articles of the lease contain incidental provisions relating to the Leonard mine, the adoption of a new minimum, definition of the term "merchantable ore," the making of payments, service of notice, duties of the trustees, surrender of possession upon termination of the lease, arbitration, powers of the trustees, and definition of the term "trustee."

The lease was actually executed in August, 1907, as appears from the acknowledgments.

Annexed thereto are copies of the various underlying leases affecting certain of the tracts covered by the principal lease.

(y) That certain of the ore bodies contained in the lands covered by the said lease were situated in close proximity to other ore bodies already owned or controlled by the United States Steel Company. Others of said ore bodies were not thus located.

(z) That certain of the said ore bodies were so located that the stripping of the overburden from the same could be easily and economically accomplished and the mines operated at low cost. In other cases the cost of stripping the overburden and extracting ores was greater.

II. That since the making of the said lease the lessee has opened the following mines:

a. Uno G. N. mine, Uno N. P., Dale mine, Harold mine.

The first three of those mines are open pit mines and lie close together in the Hibbing district, where the richest large body of ore

is located. The Harold mine is an underground mine and lies contiguous to the Uno mines.

276 b. The Fay Mine, which lies contiguous to the Alpena Mine, which at the time of the execution of the lease was open and shipping ore.

c. The Mace Mine, which is underground and contains a high grade of ore, the ore averaging over sixty-two per cent metallic iron, being all bessemer.

d. The Missippi (sic) Mine, an underground mine.

e. The Hill Mine, which contains a large body of high-grade ore and large quantities of concentrated ore.

f. The North Star and Walker Mines, which contain a large body of concentrated ore, besides direct shipping ore.

The North Star is partly an open pit and partly underground.

The Walker is an open pit mine and lies adjacent to the Canisteo Mine, which was owned by the Steel Company prior to the execution of the lease and was being stripped at the same time.

g. The Leonard Mine has also been operated by the Steel Company and was open at the time of the execution of the lease.

The trustees own or control only a half interest in the Leonard Company, but ninety per cent in the North Star Company, and but fifty per cent in the Hill and Walker mines.

III. The total shipments of ore made by the lessee pursuant to the said lease from the Fay, Leonard, Mississippi, Uno G. N., Uno N. P., Dale, Mace, Harold, Hill, North Star, Walker, and South Mississippi mines up to the first day of January, 1914, are twenty million five hundred and fifty-nine thousand five hundred and thirty-seven (20,559,537) tons.

IV. Since the agreement referred to in the stipulation herein dated November 24th, 1913, was made the defendant trustees have taken the following steps for the development of the properties controlled by them and included in the said lease:

277 1. They have made an agreement with Butler Brothers of date July 31, 1912, for the removal of stripping and development of an open pit mine, to be called the Dean mine, on the SW. ¼ of the NE. ¼, the SE. ¼ of the NW. ¼, and the NE. ¼ of the SW. ¼ of section 15, in township 58, of range 19, St. Louis County, Minnesota. Since the date of said contract, and up to January 1, 1914, the contractors have removed 1,840,818 cubic yards of the overburden from said mine. The contract requires the removal of 3,000,000 cubic yards, more or less, in all the work to be performed in such manner that 500,000 tons of ore will be available for mining in 1914, and 1,000,000 tons in 1915, in which year the work will be entirely completed. With the removal of 1,500,000 cubic yards of stripping over and above the amount involved in the contract there will be made available for mining 6,500,000 tons of ore.

2. They have made a contract with Butler Brothers for the removal of stripping and development of an open pit mine to be called

the Smith mine on the SW. ¼ of the NW. ¼ of section 2, in township 57, of range 21, St. Louis County, Minnesota, of date July 31, 1912. Since the date of said contract and up to January 1, 1914, the contractors have removed approximately 449,240 cubic yards of the over burden. The work is now practically completed, and about 600,000 tons of iron ore will be available for open-pit mining and shipping in 1914.

3. They have made a contract with Winston-Dear Company of date June 30, 1912, for the removal of stripping and development of an open pit mine, to be called the Dunwoody mine, situate in the SW. ¼ of section 27, in township 58, of range 20, St. Louis County, Minnesota. Since the date of the contract and up to the first day of January, 1914, the contractors have removed 3,033,470 cubic yards of the over burden from said mine. The contract requires the removal of approximately 5,000,000 cubic yards of dirt in such manner as to make available for mining and shipping 500,000 tons of iron ore in 1914, and 1,500,000 tons of ore in 1915, the work to be com-
278 pleted in 1915. In addition to the yardage involved in the contract, the removal of 2,500,000 additional yards will make available for open-pit mining a total of about 8,000,000 tons of ore.

4. The trustees have also, through the medium of the Harrison Iron Mining Company, one of their subsidiaries, on the 30th day of August, 1913, entered into an agreement with Butler Brothers, pursuant to which Butler Brothers are to mine from certain premises in section 6, in township 56, of range 22, and section 1, in township 56, of range 23, in Itasca County, Minnesota, the ore underlying same, on a royalty basis, Butler Brothers being required to construct a washing or concentrating plant and handle from the mine a minimum of marketable ore, starting at 25,000 tons in 1914, and increasing to 100,000 tons annually in 1917 and every year thereafter.

5. The trustees, through the medium of the Arthur Iron Mining Company, in the fall of 1913, commenced sinking a shaft on section 16, in township 56, of range 23, and the construction of a power plant, camps, blacksmith shop, and dry house, which work is still in progress, for the purpose of opening up a mine—the Hill annex—on said property.

The cost of stripping operations and work done under paragraphs 1, 2, 3, 4, and 5 hereof, to January 1, 1914, is approximately $1,500,000.

V. It is further stipulated, subject to any objection as to the materiality and relevancy, by the petitioner and the parties defendant, represented by Messrs. Kellog & Emery, as between the petitioner and said defendants in this cause, and for no other purpose, that the following is a correct summary of certain mining leases made of lands containing iron ore or supposed to contain iron ore at the times hereinafter mentioned, to wit:

Lease dated April 1st, 1905, made by Frank H. Carlston, Charles S. Pillsbury, and others to Wallace Contracting Company; covers

certain property located in the county of Itasca, State of Minnesota, known as the SW. quarter of the NW. quarter of section 13, township 57 north, of range 22 west, of the fourth principal me-
279 ridian; term begins April 1st, 1905, and expires April 1st, 1915; amount of royalty is seventy-five cents (75c) per ton of iron ore taken out, mined, or carried away from said lands and premises; lessee pays taxes and assessments.

Lease dated October 22nd, 1906, made by Tesora Mining Company to New York State Steel Company; covers property situated in the county of St. Louis, State of Minnesota, known as the NW. quarter of the NE. quarter of section 9, township 58 north, range 16 west; term, twenty years from the 1st day of January, 1907; amount of royalty, one dollar ($1) for each long or gross ton of 2,240 pounds of iron ore mined and removed from the demised premises during the term of the lease; lessee pays taxes and assessments; recorded November 30th, 1906, in the office of the register of deeds of St. Louis County, Minn.

Lease dated November 1st, 1906, made by Graham Iron Company to New York State Steel Company; covers certain property located in the State of Minnesota, county of St. Louis, being the SE. quarter of the SW. quarter of section 19, in township 59 north, range 14 west, of the fourth principal meridian; term begins November 1st, 1906, and expires November 15th, 1955; amount of royalty is seventy-five cents (75c) on each gross ton of iron ore mined or removed from the demised premises; lessee pays taxes and assessments; lease recorded on Aug. 27th, 1907, in the office of the register of deeds in the county of St. Louis, State of Minnesota.

Lease dated November 1st, 1906, made by Chandler Iron Company to Republic Iron & Steel Company; covers property situated in the county of St. Louis, State of Minnesota, described as the westerly twenty-five acres of the south half of the SW. quarter of section 4, township 58 north, of range 17 west; term of the lease, fifty years from and after the 1st day of November, 1906, subject to earlier termination upon conditions stated. Royalty, seventy-five cents (75c) for each gross ton of iron ore removed from the premises during the term of the lease; lessee pays taxes and assessments; recorded January 21st, 1907, in the office of the register of deeds in the county of St. Louis, State of Minnesota.

Lease dated March 2nd, 1908, made by Evans and others
280 to M. A. Hanna & Company covers property situated in the county of St. Louis, State of Minnesota, described as lot No. 1 in section No. 6 of township No. 58½ north of range No. 17 west of the fourth principal meridian; term fifteen years from March 2nd, 1908, subject to extension upon conditions stated; lessee agrees to pay all royalties due to the State of Minnesota, which amount to 25c per ton plus a sliding scale royalty to the lessor based upon the classification of the ore and the method of mining thereof, as follows: Ore containing fifty-seven per cent or more metallic iron and capable of being mined by stripping or open pit system, fifty cents per gross

ton removed from the premises during the first year, sixty cents per gross ton removed during the second year, sixty-five cents per ton during the third year, seventy cents per ton during the fourth year, and seventy-five cents per ton during the fifth year and each year thereafter; as to ore of the foregoing nature mined by the underground system, twenty cents per ton for the first year, thirty cents for the second year, thirty-five for the third year, forty for the fourth year, and forty-five cents for the fifth year and each year thereafter; lessee pays taxes and assessments; recorded June 20th, 1908, in the office of the register of deeds in the county of St. Louis, State of Minnesota.

Lease dated May 2nd, 1908, made by Coryate S. Wilson to M. A. Hanna & Company covers property situated in the county of St. Louis, State of Minnesota, described as lots 1 and 2, section 3; lots 1 and 2, section 3; lots 1 and 2, section 4; lots 1 and 2, section 5; and lot 2, section 6, all in township 58½ north of range 17 west of the fourth principal meridian; term of the lease fifteen years from and after the 2nd day of May, 1908, subject to extension upon conditions stated; royalty computed upon the same basis as in the lease last above mentioned, except that all ore taken from lot 2, section 5, by any system of mining pays the same royalty as that taken from other lots by the open pit method; lessee pays taxes and assessments; recorded June 20th, 1908, in the office of the register of deeds in the county of St. Louis, State of Minnesota.

Lease dated October 26th, 1908, made by the Mississippi
[91] Land Company to Pearson Mining Company covers property situated in the county of Itasca, State of Minnesota, described as the north half of the southwest quarter of section 29, township 57 north of range 22 west; term of the lease twenty years from January 1st, 1909; royalty eighty-five cents (85c) per gross ton of 2,240 pounds for the term of fifteen years from and after January 1st, 1909, and one dollar ($1) per gross ton as aforesaid from and after the first day of January, 1924, until the end of the term; lessee to pay taxes and assessments; recorded December 1st, 1909, in the office of the register of deeds of the county of Itasca, State of Minnesota.

Lease dated July 13th, 1909, made by Jennings Mines Company and others to Swallow & Hopkins covers property situated in the county of St. Louis, State of Minnesota, described as the NE. quarter of the NE. quarter of section 14, township 58 north, range 19 west of the fourth principal meridian; term of the lease fifty years from November 20th, 1900; royalty a total of eighty-five cents (85c) per gross ton for each and every ton of iron ore mined and removed from the above-described real estate; lessee pays taxes and assessments; recorded October 19th, 1909, in the office of the register of deeds of St. Louis County, State of Minnesota.

Lease dated December 10th, 1909, made by Robert B. Whiteside and others to the Madison Iron Mining Company covers the property in St. Louis County, State of Minnesota, described as the NE. quarter of section 26, township 58 north of range 21 west of the fourth

principal meridian; term of lease the residue of fifty years from the 6th day of November, 1902; royalty one dollar ($1) per gross ton shipped from said lands; lessee to pay taxes and assessments; recorded January 5th, 1910; in the office of the register of deeds of St. Louis County, State of Minnesota.

VI. It is further stipulated by the petitioner and the parties defendant represented by Messrs. Kellogg & Emery as between the petitioner and said defendants in this case, and for no other
282 purpose, that the first of the leases summarized above, to wit, the lease dated April 1st, 1905, made by Frank H. Carlston, Charles S. Pillsbury, and others to the Wallace Contracting Company is the lease concerning which P. H. Nelson testified in volume 8 of the record in this cause, pages 3275 and 3276.

Dated March 9, 1914.

J. M. Dickinson,
Henry E. Colton,
Special Assistants to the Attorney General.
Kellogg & Emery,
Solicitors for Certain Defendants.

Mr. Colton. All matters set forth in the foregoing stipulation as occurring subsequent to October 26, 1911, the date of filing of the petition in this cause, are objected to as irrelevant. The matters set forth in Articles IV and V of the foregoing stipulation are objected to as irrelevant and immaterial.

(Whereupon an adjournment was taken subject to notice.)

283 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendants, West Missabe Land Company (Limited), and others.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendants, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, and Van Buren Iron Mining Company for replication thereunto saith that it doth and will aver, maintain, and prove

its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendants, and that the answer of the said defendants is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, main-
284 tain, and prove as this honorable court shall direct and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States
for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General
of the United States.

Filed February 29, 1912.

285 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Answer of Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, as trustees.

Kellogg & Emery, solicitors for above-named defendants, 52 Broadway, borough of Manhattan, New York City.
Frederic R. Kellogg, Dean Emery, of counsel.

286 In the District Court of the United States for the District of New Jersey. United States of America *vs.* United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company; Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company

(Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Miniwa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron
287 Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company; Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees: J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer. No. 6214.

The defendants Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, jointly and severally answering the petition herein, as trustees, respectfully show the court:

I. Answering the allegations of Subdivision VI of the petition, these defendants admit that under date of January 2nd, 1907, the West Missabe Land Company (Limited) and certain of the other defendants herein, entered into a certain indenture (which in the petition herein and in this answer is styled a "lease") with the Great Western Mining Company, a corporation created and existing under the laws of the State of Minnesota, which lease covered certain pieces or parcels of land and certain interests, by way of leasehold and otherwise, in certain other parcels of land, all of which lands contained or were supposed to contain large tonnages of iron ore, and which pieces or parcels of land and interests in land had been previously acquired by the said defendants.

They admit that these defendants joined in the said lease as trustees, but they deny that they joined in the said lease as lessors, and aver that they became parties to the said lease solely as the
288 agents of the lessors for certain particular purposes specified in the said lease, to which lease these defendants beg leave to refer.

They deny that the defendant J. H. Gruber joined in the said lease as trustee or otherwise.

They admit that the performance of the stipulations of the said lease by the said Great Western Mining Company was guaranteed by the above-named defendant, the United States Steel Corporation.

They admit that the lessee under said lease agreed to mine the ore upon the terms of the said lease and ship it over the Great Northern Railway, paying therefor a royalty, and that it was provided that the said lease might be surrendered on January 1st, 1915, on giving at least two years' previous notice in writing.

These defendants beg leave to refer at the trial of this action to the said original lease as to all matters and things relating thereto and to each and every term and condition thereof.

II. Further answering the allegations of Subdivision VI of the petition, they deny that they or either of them, or any of the defendant companies who were lessors in said lease, became parties to the said lease with the intent or purpose of preventing the ore contained in the lands covered by the said lease either from being mined and sold to independent "producers" (which word these defendants assume to be erroneously used instead of the word "purchasers"), or to prevent the said ore from being utilized to build up a new and dangerous competitor to the United States Steel Corporation in the iron and steel business.

These defendants deny that they have any knowledge or information as to whether the United States Steel Corporation desired, in making said lease, to prevent said ore either from being mined or sold to independent purchasers or from being utilized to build up a new and dangerous competitor to said United States Steel
289 Corporation in the iron and steel business; except that these defendants knew that the effect of this lease, as of all leases, would be to grant to the lessee, to the exclusion of all other persons, the rights established thereby.

They deny that the practical effect of the said lease was to forestall competition or to increase to any undue or improper extent the United States Steel Corporation's control of the ore resources of the country or to destroy or forestall competition in iron ore even in the general locality in which the lands covered by the said lease were situated; except that they admit and aver that the lease in question covers large amounts (but not, as these defendants believe, an undue or improper quantity, in the light of the reasonable necessities of the business of the United States Steel Corporation) of iron ore of a value greatly in excess of the royalties payable under the said lease, and that the said lease was and is an asset of value to the United States Steel Corporation and the Great Western Mining Company, and would have been an asset of value to any other party who might have taken a lease covering the said properties upon the said terms.

They deny that the royalty agreed to be paid pursuant to the terms of the said lease was unprecedently or to any extent large or in any wise in excess of the reasonable, fair, and true value of the considerations and rights granted by said lease; and they further deny that the amount of the said royalty shows the extent to which the United States Steel Corporation was willing to go to prevent the said ore from falling into the hands of its competitors, or to prevent or in any way discourage competition; and they further deny that the amount of the said royalty shows any intent or furnishes any evidence or indication whatever of any intent on the part of the United States Steel Corporation or the Great Western Mining
Company in making said lease, other than an intention to
290 acquire for the proper and ordinary purposes of their business

and upon reasonable, ordinary, and proper terms a supply of ore from the lands covered by the said lease.

These defendants further aver that the said royalty was fixed in accordance with the established and regular market prices for such ores as the said prices existed in the localities in which the said lands were situated and at or about the time of the making of the said lease, and that the said royalty was thus fixed solely upon the basis of what the defendant companies who were lessors in said lease and these defendants now answering deemed and still deem to be a reasonable and fair return for the considerations and rights granted to the said lessee, and was thus fixed without any other or ulterior purpose or intent.

They admit that by the execution of the said lease the position of the United States Steel Corporation was strengthened, as would have been the position of any lessee who had taken a lease covering the said properties upon the terms of the lease in question; but they deny that they or either of them became parties to the said lease or that the said lease was executed by any of the lessor companies therein named with any purpose or intent to strengthen the dominating or other position of the United States Steel Corporation or for any purpose or intent other than the desire to turn to account in a legal, reasonable, and proper manner the properties and assets owned and controlled by the lessor companies.

III. Further answering the allegations of Subdivision VI of the petition they deny that the effect of the said lease or the purpose or intent of any of the defendant companies who were lessors in the said lease in executing the same, or of these defendants or any of them in becoming parties to the said lease, was to shut off competition by preventing the establishment of a competitor to the United States Steel Corporation, or otherwise, or to secure to the United
291 States Steel Corporation or to any other party an undue power over the steel business by controlling the source of supply of ore by taking it out of the market or otherwise, or to restrain trade or commerce, or to create a monopolization within the meaning of the antitrust act or otherwise.

They aver that they have no knowlege or information as to the allegations contained in the said petition to the effect that the purpose of the United States Steel Corporation was to shut off competition by preventing the establishment of a competitor to the United States Steel Corporation or to secure to the said corporation an undue power over the steel business by controlling the source of supply of ore by taking it out of the market or otherwise, or to restrain trade or commerce, or to create a monopolization within the meaning of the antitrust act or otherwise.

Further answering this portion of the petition these defendants and each of them aver that the lease in question was made by the lessor companies therein named and each of them, and that valuable considerations and rights were granted thereby, and that these defendants and each of them became parties to the said lease in good

faith and in the due and proper conduct of the business and affairs of the said lessor companies and of these defendants as trustees and each of them, and upon a royalty and other terms which are and were believed by the said lessor companies and by these defendants and each them to be legal, reasonable, proper, and fair, without any purpose or intent on the part of the said lessor companies or either of them or of these defendants or either of them to conspire or cooperate with or to assist the United States Steel Corporation or the Great Western Mining Company or any other person or party to shut off or forestall competition or to prevent the building up or establishment of a new or dangerous competitior in the iron or steel business, or to strengthen or secure a dominating or undue

292 position in the iron and steel business, or to secure an undue power over the steel business by controlling the source of supply of ore by taking it out of the market or otherwise, or to restrain trade or commerce, or to create a monopolization or to in anywise violate or contravene the United States antitrust law or any other law of the United States, and without any knowledge by or notice to the said lessor companies, or any of them, or these defendants, or any of them, of any intention on the part of the United States Steel Corporation or the said Great Western Mining Company, or any other person or party, to do any of the acts or accomplish any of the results last above specified.

These defendants and each of them aver and respectfully submit that whatever the effect of the said lease may be or may be considered to be, the defendant companies who were lessors therein, and these defendants, and each of them, were innocent parties thereto, were not participants in any guilty or illegal purpose or intent (if any such purpose or intent existed) which the United States Steel Corporation or the Great Western Mining Company entertained or may have entertained, and that whatsoever decree may be entered herein against the United States Steel Corporation or any of the defendants other than the said lessor companies and these defendants now answering the said decree should fully and amply protect the said lessor companies and these defendants in each and every of the rights of whatsoever nature the same may be, secured or purported to be secured to the said lessor companies, or either of them, or to these defendants, or either of them, by the terms of the said lease and guaranty, and of each and every collateral or supplementary or other agreement or contract which at any time was entered into between the said lessor companies, or any of them, or these defendants, or any of them, and any one or more of the other defendants herein.

293 IV. Further answering the allegations of Subdivision VI of the petition these defendants admit that the lessee under the lease has served notice of surrender of the said lease to take effect January 1st, 1915, and admit that until that time the said lease will remain operative according to its terms, as to which, as hereinbefore prayed, these defendants beg leave to refer at the trial to the original lease itself.

V. Answering the allegations of Subdivision X of the petition, these defendants deny that any of the defendant companies who were lessors in said lease, or any of these defendants, in the year 1907, or at any other time, entered into any agreement or combination with the United States Steel Corporation or the Great Western Mining Company in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1 of the antitrust act, or otherwise, and also deny that any of the said lessor companies, or any of these defendants, entered in the said year 1907 or at any other time, into any combination to monopolize any part of the trade or commerce among the several States and with foreign nations within the meaning of section 2 of the said antitrust act, or otherwise.

VI. Further answering the allegations of Subdivision X of the petition, these defendants deny that any of the defendant companies who were lessors in said lease, or any of these defendants now answering have at any time become or are parties to any general plan or combination between the United States Steel Corporation and its controlled companies, or other parties, by which these defendants or said lessor companies, or the said United States Steel Corporation or said controlled companies or any of them, or any other parties,

294 have partially destroyed competition in trade or commerce among the States or with foreign nations, or have, by their strength or otherwise, acquired a great or unwholesome influence over competitors whereby they are brought into harmonious action with the United States Steel Corporation in restricting competition or in restraining such trade and commerce.

VII. Answering the allegations of Subdivision XII of the petition, these defendants deny each and every averment contained in the said subdivision to the effect that any system of interlacing or interlocking of directorates exists or ever has existed whereby any of the officers or directors of any of the defendant companies, who were lessors in the said lease, or any of the defendants now answering, are or have been officers or directors of the United States Steel Corporation or of any of its constituent, subsidiary, or controlled companies, or whereby any of the officers or directors of the United States Steel Corporation or of any of its constituent, subsidiary, or controlled companies are or have been officers or directors of any of the said lessor companies, and they aver that no such situation has at any time existed or now exists.

VIII. Answering the allegations of Subdivision XIII of the petition, these defendants deny each and every allegation of the said subdivision to the effect that any of the defendant companies, who were lessors in the said lease, or any person representing any of the said defendant companies, or any of these defendants now answering, or any person representing these defendants now answering, have at any time participated at any meetings, under the auspices of the United States Steel Corporation or otherwise, of representatives of

any percentage or portion of the iron or steel trade in the United States; and they likewise deny that in any direct or indirect way have they, or any of the said lessor companies, participated in any such meeting or meetings, or in any exchange of information or
295 common understanding or expressions of opinion, or concerted action, or declaration of intention, or policy laid out, or consensus of opinion, or agreement or combination or conspiracy of any nature whatsoever, either with reference to changing or maintaining or controlling prices of commodities, or of any property whatsoever, or as to output, or as to any other matter or thing.

IX. Further answering the allegations of Subdivision XIII of the petition, these defendants and each of them deny that by means of any pools, agreements, meeting, or acts, whether set forth in the said petition or otherwise, any of the defendant companies, who were lessors in the said lease, or any of the defendants now answering, have at any time combined or conspired in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1 of the anti-trust act, or to monopolize any part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the anti-trust act.

X. These defendants aver that they have no knowledge or information in reference to each and every of the other allegations contained in any subdivisions or portions of the petition, except those which they have herein expressly admitted or denied.

XI. And these defendants deny all and all manner of unlawful combination and confederacy wherewith they are by the said petition charged; without this, that if there is any other matter, cause, or thing in the said petition contained, material or necessary for these defendants to make answer unto and not herein and hereby well and sufficiently answered, confessed, traversed, and avoided or denied, the same is not true to the knowledge and belief of these de-
296 fendants; all of which matters and things these defendants are ready and willing to aver, maintain, and prove as this honorable court shall direct and humbly pray to be hence dismissed with their reasonable costs in this behalf most wrongfully sustained.

LOUIS W. HILL,
JAMES N. HILL,
WALTER J. HILL,
EDWARD T. NICHOLS,
As Trustees.

By KELLOGG & EMERY
(FREDERIC R. KELLOGG,
DEAN EMERY),
Solicitors and Counsel,
52 Broadway, Borough of Manhattan, New York City.

297 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and Others. No. 6214.

Replication to answer of defendants, Louis W. Hill and others.

Filed February 29, 1912.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendants, Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, as trustees for replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendants, and that the answer of the said defendants is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed, or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, maintain, and prove as this honorable court shall direct and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General of the United States.

298 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and Others. 6214.

Answer of J. H. Gruber.

Kellogg & Emery, solicitors for above-named defendant, 52 Broadway, borough of Manhattan, New York City.
Frederic R. Kellogg, Dean Emery, of counsel.

299 In the District Court of the United States for the District of New Jersey. United States of America *vs.* United States Steel Corporation, Carnegie Steel Company, Carnegie Com-

pany of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining
300 Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees; J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, and William P. Palmer. No. 6214.

The above-named defendant, J. H. Gruber, answering the petition herein, respectfully shows the court:

I. Answering the allegations of Subdivision VI of the petition this defendant admits that in the year 1907 a certain indenture (which in the petition herein and in this answer is styled a "lease") was executed by the West Missabe Land Company, Limited, and others to the Great Western Mining Company, a corporation created and existing under the laws of the State of Minnesota, which lease covered certain pieces or parcels of land and certain interests, by way of leasehold and otherwise, in certain other parcels of land, all of which lands, as this defendant is informed, contain or were supposed to contain large tonnages of iron ore, and which pieces or parcels of land and interests in land had been previously acquired by the said West Missabe Land Company, Limited, and other lessors.

He admits that in said lease Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols joined as trustees, but he denies that the said trustees joined in the said lease as lessors.

He admits that the performance of the stipulations of the
301 said lease by the said Great Western Mining Company was guaranteed by the above-named defendant, the United States Steel Corporation.

He denies, however, that he was a party to or joined as trustee or otherwise in the said lease.

He admits that the lessee under the said lease agreed to mine the ore upon the terms of the said lease and ship it over the Great Northern Railway, paying therefor a royalty, and that it was provided that the said lease might be surrendered on January 1st, 1915, on giving at least two years' previous notice in writing.

II. Further answering the allegations of Subdivision VI of the petition, this defendant denies that at the time above mentioned, or at any other time, he became a party to any contract, arrangement, understanding, agreement, or conspiracy whatsoever with any of the other defendants herein, or any other persons or parties whomsoever, for the purpose or with the effect of forestalling or shutting off competition with the United States Steel Corporation, or any other party, or of preventing the building up or establishment of a new or dangerous competitor to the United States Steel Corporation, or any other party in the iron or steel business, or of strengthening or securing to the United States Steel Corporation, or any other party, a dominating or undue position in the iron or steel business, or of securing to the United States Steel Corporation, or to any other party, an undue power over the steel business by controlling the sources of supply of ore by taking it out of the market or otherwise, or for the purpose or with the effect of restraining trade or commerce or of creating a monopolization of any portion whatsoever of trade or commerce within the meaning of the antitrust law or otherwise.

III. Answering the allegations of Subdivision X of the pe-
302 tition, he denies that at any time whatsoever he entered into any agreement or combination with any defendant herein or any other party in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1 of the antitrust act, or to monopolize any part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act, either in connection with the lease of the ore properties specified in the petition herein, or otherwise.

IV. Answering the allegations of Subdivision XIII of the petition, he denies that by means of any pools, agreements, meetings, or acts, whether set forth in the said petition or otherwise, he has at any time combined or conspired with any defendant herein or any other party, in restraint of trade or commerce among the several States or with foreign nations within the meaning of section 1 of the antitrust act, or to monopolize any part of the trade or commerce among the several States or with foreign nations within the meaning of section 2 of the antitrust act.

V. He avers that he has no knowledge or information in reference to each and every of the other allegations contained in any subdivisions or portions of the petition herein, except those which he has herein expressly admitted or denied.

VI. And this defendant denies all and all manner of unlawful combination and confederacy wherewith he is by the said petition charged; without this, that if there is any other matter, cause, or thing in the said petition contained, material or necessary for this defendant to make answer unto and not herein or hereby well and sufficiently answered, confessed, traversed, and avoided, or denied, the same is not true, to the knowledge and belief of this defend-
303 ant; all of which matters and things this defendant is ready and willing to aver, maintain, and prove as this honorable court shall direct, and humbly prays to be hence dismissed with his reasonable costs in this behalf most wrongfully sustained.

J. H. GRUBER,
By KELLOGG & EMERY
(FREDERIC R. KELLOGG,
DEAN EMERY).
Solicitors and Counsel, 52 Broadway, Borough of Manhattan, New York City.

304 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Replication to answer of defendant, J. H. Gruber.

Filed February 29, 1912.

This replicant, United States of America, saving and reserving to itself all and all manner of advantages of exception which may be had and taken to the manifold errors, uncertainties, and insufficiencies of the answer of the defendant, J. H. Gruber, for replication thereunto saith that it doth and will aver, maintain, and prove its said petition to be true, certain, and sufficient in the law to be answered unto by the said defendant, and that the answer of the said defendant is very uncertain, evasive, and insufficient in law to be replied unto by this replicant; without that, that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed or avoided, traversed, or denied, is true; all which matters and things this replicant is ready to aver, maintain, and prove as this honorable court shall direct and humbly prays as in and by its said petition it hath already prayed.

JOHN B. VREELAND,
District Attorney of the United States for the District of New Jersey.
GEO. W. WICKERSHAM,
Attorney General of the United States.
J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General of the United States.

305 United States District Court, District of New Jersey.

The United States of America, petitioner, v. United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Walsigon Iron Company, Minnie Iron Company, Minnewa Iron Company, Wenona Iron Company, Minewa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees, J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, William P. Palmer, and John P. Morgan, jr., William P. Hamilton, Herbert L. Satterlee, and Lewis Cass Ledyard as executors, defendants. In equity. No. 6214.

Docket entries.

October 26, 1911. Petition filed.
October 26, 1911. Certificate of public importance filed.

306 January 29, 1912. Answer of J. H. Gruber filed.
January 29, 1912. Answer of West Missabe Land Co. (Ltd.) and others filed.
January 29, 1912. Answer of Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, as trustees, filed.
February 1, 1912. Answer of United States Steel Corporation and others filed.
February 1, 1912. Answer of Andrew Carnegie filed.
February 1, 1912. Answer of John D. Rockefeller filed.
February 1, 1912. Answer of John D. Rockefeller, jr., filed.
February 1, 1912. Answer of Edmund C. Converse filed.

February 1, 1912. Answer of William P. Palmer filed.
February 28, 1912. Replication to answer of J. H. Gruber filed.
February 28, 1912. Replication to answer of West Missouri Land Co. and others filed.
February 28, 1912. Replication to answer of Lewis W. Hill and others filed.
February 28, 1912. Replication to answer of U. S. Steel Corporation and others filed.
February 28, 1912. Replication to answer of Andrew Carnegie filed.
February 28, 1912. Replication to answer of John D. Rockefeller.
February 28, 1912. Replication to answer of John D. Rockefeller, jr.
February 28, 1912. Replication to answer of Edmund C. Converse.
February 28, 1912. Replication to answer of William P. Palmer.
November 5, 1913. Order reviving suit filed.
December 5, 1913. Supplemental answer of West Missouri Land Co. and others filed.
October 20, 21, 22, 25, 26, 27, 28, 29, 1914. Final hearing before appeal court. Decision reserved.

167 In the Circuit Court of the United States for the District of New Jersey.

United States of America *against* The United States Steel Corporation and others.

To the clerk of said court:

I hereby certify that the above-entitled cause now pending in said court is a suit in equity brought by the United States against United States Steel Corporation and the other defendants named therein, under the act of Congress entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, and that said suit is in my opinion a case of general public importance.

I therefore request that, complying with the provisions of the act of Congress entitled "An act to expedite the hearing and determination of suits in equity pending or hereafter brought under the act of July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,'" approved February 11, 1903, you will file this certificate among the records of the above-entitled cause and immediately furnish a copy thereof to each of the circuit judges of the third circuit, to the end that said case shall be given precedence over other cases in said court and be assigned for hearing at the earliest practicable date before not less than three of the circuit judges of said circuit, as is provided by the said act of February 11, 1903.

GEO. W. WICKERSHAM,
Attorney-General.

WASHINGTON, D. C.

Endorsed: U. S. Circuit Court, District of New Jersey. United States of America vs. United States Steel Corporation and others. Certificate of public importance. Filed October 26, 1911. H. D. Shipman, clerk.

In the District Court of the United States for the District of New Jersey.

United States of America vs. United States Steel Corporation and others. No. 6214.

Order appointing examiner.

It appearing that the above-entitled cause is at issue on the petition and the answers and replication heretofore filed, now, therefore, upon motion of counsel for the petitioner and by the consent of the parties,

It is ordered, that Henry P. Brown, Esq., be, and he hereby is, designated and appointed as examiner to take and report to the court the evidence adduced or offered by the petitioner and the defendants, respectively, with full authority as such examiner according to the rules and practice in such case made and provided.

That said examiner give notice by mail to counsel of record for the respective parties of his appointment herein and of the time and place when and where he will attend for the purpose of hearing such testimony as may be adduced, and may, when necessary or convenient for the respective parties, continue said hearings from time to time by order made and entered during any regularly appointed or noted hearing hereunder.

That notice be given by the respective counsel or solicitors to the opposing counsel or solicitors or parties, by mail or personally, of the time and place of the examination for such reasonable time as the examiner may fix or order in each case.

That said examiner may, upon application of any of the parties, hold hearings and receive testimony in behalf of any party at such times and places without the district of New Jersey as he may designate and appoint, special notice to be given the respective parties or their counsel of record of each hearing so held; and the parties may, from time to time, with the approval of the examiner, agree as to the time and place of taking proof outside of the district of New Jersey.

That said examiner may, by order in form and effect as he shall deem proper, appoint a special examiner or special examiners to hold hearings hereunder or any adjournment of any hearing hereunder, and any such special examiner or examiners so appointed shall have all the authority, power, and duties herein given generally to the said Henry P. Brown, but shall certify and report the proofs taken before him to the said examiner.

That all testimony adduced pursuant hereto be taken in the usual manner, under oath, and when completed be reported by said examiner, together with all and several the proceedings had before him, to this court and filed with the clerk thereof, in accordance with the rules and practice of this court.

That until the further order of this court and subject to the control and direction of said examiner, F. R. Hanna, of Washington, D. C., is hereby appointed the stenographer of the examiner to take the testimony stenographically, with authority to employ such additional stenographers to assist in the taking of said testimony from time to time as may be necessary.

310 Dated this 22nd day of April, A. D. 1912.

GEO. GRAY,
JOS. BUFFINGTON,
JOHN B. McPHERSON,
U. S. Circuit Judges of 3d Judicial Circuit.

Endorsed: United States District Court, District of New Jersey. United States of America vs. United States Steel Corporation and others. Order appointing examiner. Filed April 22, 1912. George T. Cramer, clerk.

311 In the District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Order in respect to reporting transcript of record, etc.

Counsel for the petitioner and the defendants in the above-entitled cause having consented thereto,

It is ordered, In the above-entitled cause that the examiner shall certify to this court the printed transcript of the record in lieu of the typewritten transcript of the record.

It is further ordered, That he shall certify the printed volumes of the exhibits, which contain both the exhibits offered in evidence in the foregoing transcript of the testimony and the exhibits offered in evidence pursuant to stipulation, in so far as said exhibits have been printed, in this cause.

It is further ordered, That as to the exhibits that have not been printed in this cause he shall certify the originals where they were used, and copies where copies were used in lieu of originals.

It is further ordered, That the examiner, in making his report of the testimony adduced and the proceedings had before him in the above-entitled cause, shall certify said printed transcript of the record and printed volumes of the exhibits, together with all the other exhibits offered in evidence, without sealing them or binding

them together, accompanied by a schedule of said printed volumes of the testimony and said printed volumes of the exhibits and of said exhibits not printed, in this cause.

312 JOS. BUFFINGTON,
WILLIAM H. HUNT,
JOHN B. MCPHERSON,
Circuit Judges.

We consent to the foregoing order.

J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General.
R. V. LINDABURY,
For Defendants Represented by Messrs. Lindabury, Depue & Faulks.
KELLOGG & EMERY,
For Defendants Represented by Kellogg & Emery.
MURRAY, PRENTICE & HOWLAND,
For the Defendants Represented by Murray, Prentice & Howland.
SULLIVAN & CROMWELL,
For Edmund C. Converse.

Endorsed: United States District Court, District of New Jersey. United States of America *vs.* United States Steel Corporation and others. Order in respect to reporting transcript of record, etc. Filed July 3, 1914. George T. Cranmer, clerk.

313 District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Order as to taking exceptions.

Upon the consent of counsel for the petitioner and the defendants in the above-entitled cause, it appearing to the court, on account of the size of the record in this cause and the number of exceptions therein noted, that it will conserve the convenience of the court for exceptions to be taken advantage of in the above-entitled cause in the manner hereinafter provided: Now therefore, upon consent of counsel for the petitioner and the defendants,

It is ordered, That it shall not be necessary in advance of the hearing in the above-entitled cause to have action taken upon the exceptions to evidence, oral or documentary, noted in the record, but that any of such exceptions may, without such preliminary action, be taken advantage of in any of the briefs submitted in this cause,

whether original, supplemental, or reply briefs, or at the argument of this cause on the merits, or in either or both of said ways.

Jos. BUFFINGTON,
WILLIAM H. HUNT,
JOHN B. McPHERSON,
Circuit Judges.

314 We consent to the foregoing order.

J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General.
R. V. LINDABURY,
For Defendants Represented by Messrs. Lindabury, Depue & Faulks.
KELLOGG & EMERY,
For Defendants Represented by Kellogg & Emery.
MURRAY, PRENTICE & HOWLAND,
For Defendants Represented by Murray, Prentice & Howland.
SULLIVAN & CROMWELL,
For Edmund C. Converse.

(Endorsed:) United States District Court, District of New Jersey. United States of America *vs.* United States Steel Corporation and others. Order as to taking exceptions. Filed July 3, 1914. George T. Cranmer, clerk.

315 District Court of the United States for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

Order as to printing of exhibits.

Whereas it has been agreed by and between the petitioner and the defendants represented by Messrs. Lindabury, Depue & Faulks, unless this court should otherwise direct, as to certain exhibits, mostly of a statistical character, that they need not be printed, or only such portions thereof as counsel for either side should request to have printed, now, therefore, upon consent of counsel for the petitioner and for the defendants in this cause,

It is ordered: As to the exhibits in respect to which said agreements have been made, that only such of them or such portions of them need be printed as counsel for the petitioner, or for any of the defendants in this cause shall request to have printed, unless this court shall hereafter otherwise direct.

Jos. BUFFINGTON,
WILLIAM H. HUNT,
JOHN B. McPHERSON,
Circuit Judges.

316 We consent to the foregoing order.

J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General.
R. V. LINDABURY,
For Defendants Represented by
Messrs. Lindabury, Depue & Faulks.
KELLOGG & EMERY,
For Defendants Represented by Kellogg & Emery.
MURRAY, PRENTICE & HOWLAND,
For Defendants Represented by Murray,
Prentice & Howland.
SULLIVAN & CROMWELL,
For Edmund C. Converse.

(Endorsed:) United States District Court, District of New Jersey. United States of America vs. United States Steel Corporation and others. Order as to printing exhibits. Filed July 3, 1914. George T. Cranmer, clerk.

317 District Court of the United States for the District of New Jersey.

United States of America vs. United States Steel Corporation and others. No. 6214.

Order in respect to certain special exhibits.

Whereas in the above-entitled cause there have been offered in evidence certain exhibits marked special exhibits, or special Government exhibits, or special defendants' exhibits, as to which, on account of the confidential nature of the information therein contained, counsel for the petitioner and for the defendants represented by Messrs. Lindabury, Depue & Faulks agreed at the request of the parties producing said exhibits to restrict the publication of the details therein referred to, in so far as the convenience of the court and counsel should permit, unless this court should otherwise direct: Now, therefore, upon consent of counsel for the petitioner and for the defendants in the above-entitled cause,

It is ordered: As to said special exhibits that they need not be filed in advance of the hearing in this cause, and that pending said hearing the orginals of Special Exhibits Nos. 5 to 9, inclusive, showing the details of the ore reserves of the United States Steel Corporation for various years in the Lake Superior district, now in possession of Government counsel, all available copies of which are in the possession of the United States Steel Corporation, may remain in the custody of said Government counsel, under the general direction of the examiner, and that as to the rest of said special exhibits,
318 the originals, or the copies used by consent in lieu of the originals, shall remain in the custody of the examiner until

said hearing. Said special exhibits shall be reported and presented to the court at the time of the hearing in this cause.

Jos. BUFFINGTON,
WILLIAM H. HUNT,
JOHN B. MCPHERSON,
Circuit Judges.

We consent to the foregoing order.

J. M. DICKINSON,
HENRY E. COLTON,
Special Assistants to the Attorney General.
R. V. LINDABURY,
For Defendants Represented by Messrs. Lindabury, Depue & Faulks.
KELLOGG & EMERY,
For Defendants Represented by Kellogg & Emery.
MURRAY, PRENTICE & HOWLAND,
For Defendants Represented by Murray, Prentice & Howland.
SULLIVAN & CROMWELL,
For Edmund C. Converse.

(Endorsed:) United States District Court, District of New Jersey. United States of America vs. United States Steel Corporation and others. Order in respect to certain special exhibits. Filed July 3, 1914. George T. Cranmer, clerk.

319 In the United States District Court for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

PHILADELPHIA, PA., *September 30th, 1914.*

I, Henry P. Brown, examiner in the above-entitled cause, do hereby certify that the printed volumes of testimony and exhibits which have been filed herewith, viz:

	No. of vols.
Testimony:	
Vols. I to IX, inclusive, containing complainant's proofs	9
Vols. X to XXIX, inclusive, containing defendant's proofs	20
Vol. XXX, containing complainant's rebutal proofs, pages 12109 to 12141; defendant's rebuttal poofs, pages 12141 to 12151	1
Government exhibits:	
Vols. I to XIV. (Note.—Vol. V consists of Parts I and II.)	15
Defendant's exhibits:	
Vols. I to IX, inclusive	9

	No. of vols.
Special exhibits:	
Vols. I to III, inclusive	3
Total number of volumes	57
Volume of pleadings	1
	58

contain a full and correct transcript of the testimony of the witnesses for the petitioners and for the defendants, as the same was given by them before the examiner at the times and places therein
320 stated when testifying as witnesses on behalf of the petitioners and defendants herein, and that each of the said witnesses, before the giving of his testimony, was duly sworn or affirmed by the examiner, and that they contain also the exhibits offered in evidence and the exhibits offered in evidence pursuant to stipulation of counsel for the respective parties, in so far as said exhibits have been printed.

I also certify that the following is a list of exhibits not printed (or only partially printed) in the said volumes, viz:

GOVERNMENT EXHIBITS.

91 (Gov. Ex., vol. 1, page 251).
116 to 130 (Gov. Ex., vol. 1, page 315).
154 (Same as Gov. Ex. 325) (Gov. Ex., vol. 4, page 1472).
155 (Same as Gov. Ex. 326) (Gov. Ex., vol. 4, page 1472).
310 (Testimony, vol. 7, page 2836).
325 (Same as Gov. Ex. 154) (Gov. Ex., vol. 7, page 2020).
326 (Same as Gov. Ex. 155) (Gov. Ex. vol. 7, page 2020).
335 (See Gov. Ex. 356, which covers subject matter thereof).
336 (See Gov. Ex. 357, which covers subject matter thereof).
337 (See Gov. Ex. 358, which covers subject matter thereof).
338 (Marked for identification only).
373 and 374 (Marked for identification only) (Test., vol. 9, page 3432).
375 (Marked for identification only).
376 (Marked for identification only).
377 (Marked for identification only).
379 (Marked for identification only).
380 (Marked for identification only).
381 (Marked for identification only).
414 (Marked for identification only, but read in evidence; see testimony, vol. 9, page 3738).
415 (Portions printed as per stipulation. Testimony, vol. 9, page 3752).
438 (Not printed as a Gov. exhibit, but printed as Def. Ex. 109).
443 to 468 (Testimony, vol. 19, page 7714).
481 (For identification only). Printed as Def. Ex. 234.

484 (For identification). Extracts printed as Gov. Exhibits 485, 486, and 487. (Testimony, vol. 30, page 12119.)
489 (For identification.) Portion printed as Gov. Ex. 490.
491 (Testimony, vol. 30, page 12122).
492 (For identification). Extracts printed as Gov. Exhibits 493 and 494.
507 (Portions printed. Testimony, vol. 30, page 12134).
511 (For identification) (Portions printed as Gov. Exhibits 512, 513, 514, 515, and 516).

DEFENDANTS' EXHIBITS.

16 (Def. Ex., vol. 1, page 145).
17 (Def. Ex., vol 1, page 145).
21 (Entire book is Def. Ex. 21 for identification. Extract was offered as Def. Ex. 21. This extract was read into the testimony, page 2900, vol. 7, but is not printed in the vol. of exhibits).
321 32 (Marked for identification only; subsequently offered in evidence and printed as Def. Ex. 80).
33 (Marked for identification only; subsequently offered in evidence and printed as Def. Ex. 81).
34 (Marked for identification only).
35 (Marked for identification only).
36 (Marked for identification only).
40 (Testimony, vol. 10, page 3832).
62 (Testimony, vol. 12, pages 4917 and 4918).
64 (Testimony, vol. 12, page 4930).
64–a (For identification only).
74 (Def. Ex., vol. 3, page 319).
75 (Def. Ex., vol. 3, page 319).
230 (Portions printed as Gov. Ex. 485, 486, 487).
235 (Testimony, vol. 30, page 12143).

SPECIAL EXHIBITS.

5 and 6 (Special Exhibits, vol. 3, page 85).
15–c (Special Exhibits, vol. 3, page 110).
"7, 8, and 9 (Special Exhibits, vol. 3, pages 86, 90, 96)."

I also certify that the following is a list of exhibits, of which copies are filed in lieu of originals, viz:

GOVERNMENT EXHIBITS.

142 (Original returned to Mr. Robert Forsyth).
156 (Original returned to owner by agreement) (Test., vol. 6, page 2520).
157 (Original returned to owner by agreement) (Test., vol. 6, pages 2520 and 2523).
158 (Original returned to owner by agreement) (Test., vol. 6, page 2523).

159 (Original returned to Mr. Barton Corneau) (Test., vol. 6, page 2575).

160 (Original returned to Mr. Barton Corneau) (Test., vol. 6, page 2575).

161 to 164, inclusive (Originals returned to Mr. Barton Corneau) (Test., vol. 6, page 2575).

165 to 190, inclusive (Originals returned to Mr. Robert A. Walker) (Test., vol. 6, page 2594).

253 (Original missing; copy filed) (Table showing English prices of billets. Copy of original, which was photographically reproduced, is to be found in G. E., V., Part I, page 1660. Original was not returned by photographer to court stenographer after it had been given said photographer by said stenographer for purpose of being reproduced).

341 (Original returned to owner) (Test., vol. 8, page 2991).

373 to 381, inclusive, were taken away by the witness Murray under promise to furnish copies. (Copies were furnished and are filed. Test., vol. 9, page 3432).

399 (Original returned to Cravath, Henderson & de Gersdorff by Mr. Simmons).

441 (Returned to Mr. Halstead. Test., vol. 19, page 7603).

442 (Returned to Mr. Halstead. Test., vol. 19, page 7603).

443 to 468 (Originals returned to Mr. Morton W. Reed. Test., vol. 19, page 7714).

469 to 471 (Originals returned to owners).

495 to 499 (Returned to owner. Test., vol. 30, pages 12123 and 12124).

501 to 506 (These exhibits are themselves copies from original matter, the production of which was waived. Test., vol. 30, pages 12132 to 12134).

322 DEFENDANT'S EXHIBITS.

31 (This exhibit is a copy of extract from minutes of Carnegie Steel Co., which copy was marked as Def. Ex. 31).

53 (Returned to Thomas W. Joyce. Test., vol. 12 page 4705).

62 (File of quarterly reports of U. S. Steel Corporation (A copy is on file).

66 (Returned to Mr. Halstead).

82 and 83 (Returned to Mr. Halstead).

87 and 87-a (Returned to Mr. Halstead).

98 (Returned to Mr. Filbert).

121 to 141 (Returned to owner).

190 (Returned to Mr. Reed).

SPECIAL EXHIBITS.

5 to 9 (In the custody of the examiner).

11 (Returned to Mr. Campbell per Mr. Halstead).

15-c (In the custody of the examiner).

NOTE.—Copies are filed of all the above exhibits in cases where original exhibits have been returned to owners, except the following, the originals of which are in the custody of the examiner:

Special Exhibits 5 and 6.

Special Exhibits 15–c, and copies of extracts only of Special Exhibits 7, 8, and 9.

Witness my hand at Philadelphia, on this thirtieth day of September, 1914.

HENRY P. BROWN, *Examiner.*

Endorsed: United States District Court for the District of New Jersey. United States of America vs. United States Steel Corporation and others. Certificate of examiner. Henry P. Brown, examiner. Filed Oct. 2, 1914. George T. Cranmer, clerk.

323 In the District Court of the United States for the District of New Jersey.

Between The United States of America, petitioner, and United States Steel Corporation and others, defendants.

Final decree.

This cause came on for final hearing at this term, and was argued by counsel; and thereupon, upon consideration of the arguments, pleadings, and proofs, it was ordered, adjudged, and decreed as follows, viz:

That the prayer of the petition of the United States of America be, and the same is hereby, denied, and that the said petition be, and the same is hereby, dismissed.

Per curiam.

SEPT. 10TH, 1915.

JOS. BUFFINGTON.
WM. H. HUNT.
JOHN B. MCPHERSON.
VICTOR B. WOOLLEY,
Circuit Judges.

Endorsed: In the District Court of the United States for the District of New Jersey. Between The United States of America, plaintiff, and United States Steel Corporation and others, defendants. Final decree. Lindabury, Depue & Faulks, solicitors for defendants, 763 Broad Street, Newark, N. J. Filed Sept. 10, 1915, at 9.15 a. m. George T. Cranmer, clerk.

324 In the District Court of the United States for the District of New Jersey.

The United States of America, petitioner, *vs.* United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, Ameri-

can Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company; Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees; J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, William P. Palmer; and John P. Morgan, jr., William P. Hamilton, Herbert L. Satterlee, and Lewis Cass Ledyard, as executors, defendants. In equity. No. 6214.

325 *Petition for appeal.*

The United States of America, petitioner, feeling itself aggrieved by the final decree entered in the above-entitled cause on the 10th day of September, 1915, by its counsel prays an appeal therefrom to the Supreme Court of the United States, except as against the defendant J. H. Gruber.

The particulars wherein the United States considers said decree erroneous are set forth in the assignment of errors herewith filed, to which reference is made.

The United States further prays that a transscript of the record, proceedings, papers, and evidence upon which said decree was made and entered, duly authenticated, may be transmitted at the earliest practicable date to the Supreme Court of the United States.

G. CARROLL TODD,
Assistant to the Attorney General.
HENRY E. COLTON,
Special Assistant to the Attorney General.

Filed October 28th, 1915.

GEORGE T. CRANMER, *Clerk.*

326 In the District Court of the United States for the District of New Jersey.

The United States of America, petitioner, vs. United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minnesota Iron Company, Nashwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company; Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees; J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, William P. Palmer; and John P. Morgan, jr., William P. Hamilton, Herbert L. Satterlee, and Lewis Cass Ledyard, as executors, defendants. In equity. No. 6214.

327 *Assignment of errors.*

Comes now the United States of America, petitioner, by its counsel, and files the following assignment of errors upon which it will rely in its appeal to the Supreme Court of the United States from the final decree of the District Court entered September 10, 1915, in the above-entitled cause.

The District Court erred:

I.

In failing and refusing to find and to hold that the American Tin Plate Company of New Jersey, in or about 1898, through the bringing together under its control of the competitive plants and businesses in the United States set forth in the record, together controlling a preponderant part of the trade and commerce among the several States

and with foreign nations in tin plate and kindred products, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the act entitled "An act to protect trade and commerce," approved July 2, 1890, hereafter referred to as the antitrust act.

II.

In failing and refusing to find and to hold that the American Sheet Steel Company of New Jersey, in or about 1900, through the bringing together under its control of the competitive plants and businesses in the United States set forth in the record, together controlling a preponderant part of the trade and commerce among the several States and with foreign nations in sheet steel and kindred products, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the antitrust act.

III.

In failing and refusing to find and to hold that the American Sheet and Tin Plate Company of New Jersey, in or about 1900, through the acquisition of the competitive plants and businesses which were previously combined under said American Tin Plate Company and said American Sheet Steel Company, and others of like character, and through its continued control of the same, became and has ever since continued to be a combination in restraint of trade in tin plate, sheet steel, and kindred products, and an attempt to monopolize and a monopolization of a part of such trade in violation of sections 1 and 2 of the antitrust act.

IV.

In failing and refusing to find and to hold that the American Steel and Wire Company of New Jersey, in or about 1899, through the bringing together under its control of the competitive plants and businesses in the United States set forth in the record, together controlling a preponderant part of the trade and commerce among the several States and with foreign nations in wire rods, wire nails, barb wire, and the various other wire products manufactured from wire rods, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the antitrust act, and through its continued control of said competitive plants and businesses and others of a like character has ever since continued to be such.

V.

In failing and refusing to find and to hold that the American Steel Hoop Company of New Jersey, in or about 1899, through the

bringing together under its control of the competitive plants and businesses in the United States set forth in the record, together
329 controlling a preponderant part of the trade and commerce among the several States and with foreign nations in hoops, bands, and cotton ties, and kindred products became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the antitrust act.

VI.

In failing and refusing to find and to hold that the National Steel Company of New Jersey, in or about 1899, through the bringing together under its control of the competitive plants and businesses set forth in the record, comprising most of the principal plants west of the Alleghanies (other than those controlled by the Federal Steel Company and the Carnegie Steel Company hereafter referred to) engaged in the manufacture and sale of crude steel products, such as billets, blooms, slabs, and sheet and tin-plate bars, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the antitrust act.

VII.

In failing and refusing to find and to hold that the Carnegie Company of New Jersey, about 1900, through the bringing together under its control of the competitive plants and businesses set forth in the record, previously combined under concerns largely controlled by Andrew Carnegie and together controlling a large and important part of the entire trade and commerce among the several States and with foreign nations in iron and steel products generally, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the antitrust act.

330 VIII.

In failing and refusing to find and to hold that the Carnegie Steel Company of New Jersey, about 1903, through the bringing together under its control of the competitive plants and businesses previously combined under said American Steel Hoop Company, National Steel Company, and Carnegie Company (Sections V, VI, and VII, supra) became in respect to the various iron and steel products manufactured and sold by said competitive plants a combination in restraint of trade and commerce among the several States and with foreign nations and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the anti-trust act, and through its continued control of said competitive plants and businesses and others of a like character has ever since continued to be such.

IX.

In failing and refusing to find and to hold that the Federal Steel Company of New Jersey, in or about 1898, through the bringing together under its control of the competitive plants and businesses, set forth in the record, together controlling a large and important part of the trade and commerce among the several States and with foreign nations in iron and steel products generally, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the anti-trust act, and through its continued control of said competitive plants and businesses and others of a like character has ever since continued to be such.

X.

331 In failing and refusing to find and to hold that the National Tube Company of New Jersey, in or about 1899, through the bringing together under its control of the competitive plants and businesses, set forth in the record, together controlling a preponderant part of the trade and commerce among the several States and with foreign nations in iron and steel pipes, tubular goods and kindred products, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the anti-trust act, and through its continued control of said competitive plants and businesses and others of a like character has ever since continued to be such.

XI.

In failing and refusing to find and to hold that the American Bridge Company, in or about 1900, through the bringing together under its control of the competitive plants and businesses, set forth in the record, together controlling a preponderant part of the trade and commerce among the several States and with foreign nations in heavy fabricated steel for buildings, bridges, and other work of a like character, became a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the anti-trust act, and through its continued control of said competitive plants and businesses and others of a like character has ever since continued to be such.

XII.

In failing and refusing to find and to hold that the United States Steel Corporation of New Jersey, in 1901, through the exchange of its stock and bonds for the stock and bonds of the Carnegie Company, and of its stock for the stocks of the Federal Steel Com-
332 pany, the National Steel Company, the American Steel and Wire Company, the National Tube Company, the American

Steel Hoop Company, the American Bridge Company, the American Sheet Steel Company, the American Tin Plate Company, the Lake Superior Consolidated Iron Mines, and the Shelby Steel Tube Company, whereby it brought under its control competitive plants and businesses, together producing more than one-half of the entire output in the United States of steel ingots and castings (from which practically all steel products are made) and of the pig iron used in the manufacture of steel, and controlling a preponderant part of the entire trade and commerce among the several States and with foreign nations in billets, blooms and slabs, rails, structural shapes, plates, sheets, tin plate and kindred products, wire rods (from which most wire products are made), barb wire, wire nails, wire and kindred products, pipes and tubular goods, hoops, bands and cotton ties, and the greater part of the then known commercially available ore of the Lake Superior district, together with the Duluth, Missabe and Northern Railway, and the steamships operated in connection therewith, and the Duluth and Iron Range Railroad, and the steamships operated in connection therewith, which railroads were competitors in interstate commerce in the transportation of ore and the only roads serving large and important sections of the Lake Superior district, became a combination in restraint of trade in iron and steel products and in the transportation of ore and an attempt to monopolize and a monopolization of a part of such trade in violation of sections 1 and 2 of the anti-trust act.

XIII.

333 In failing and refusing to find and to hold that the acquisition by the United States Steel Corporation, (1) in the latter part of 1902, of the capital stock of the Union Steel Company of Pennsylvania, an active and substantial competitor of several of the subsidiaries of the United States Steel Corporation, (2) in 1903, through its subsidiary, the American Steel and Wire Company, of the capital stock of the Troy Steel Products Company, a competitor of the Carnegie Steel Company, (3) in 1904, of the capital stock of the Clairton Steel Company, also a competitor of the Carnegie Steel Company, and (4) in 1907, of the capital stock of the Tennessee Coal, Iron and Railroad Company, which controlled vast ore deposits in the Birmingham district and was a substantial competitor of the Carnegie Steel Company and the Federal Steel Company in the sale of rails, and was building a new rail mill and otherwise equipping itself to compete more effectively with said companies, was in each case, taken in connection with the previous acquisitions of competitive plants and businesses above referred to, in violation of sections 1 and 2 of the antitrust act.

XIV.

In failing and refusing to adjudge and decree that the United States Steel Corporation is now a combination in restraint of trade

in iron and steel products and an attempt to monopolize and a monopolization of a part of such trade, in violation of the antitrust act, by reason of its ownership of the stocks of Carnegie Steel Company, Federal Steel Company, American Steel and Wire Company, National Tube Company, American Sheet and Tin Plate Company, American Bridge Company, Shelby Steel Tube Company, Lake Superior Consolidated Iron Mines, Pittsburgh Steamship Company, Union Steel Company, Clairton Steel Company, and Tennessee Coal, Iron and Railroad Company, whereby it occupies a preponderant position in the iron and steel trade generally, and controls (as shown by Defendants' Exhibit No. 236), of the total production in the United States, of Bessemer and basic pig iron, 59%; of steel ingots and castings (from which practically all steel products are made), 54.1%; of rails, 56.3%; of structural shapes, 49.8%; of plates and sheets, 50.4%; of wire rods, 63.2%; of merchant bars, 25.6%; of skelp (from which most pipes and tubular goods are made), 52.7%; and of hoops, bands, and cotton ties, 71.2%; and also controls a very large proportion of the total output of billets, blooms, and slabs, fabricated steel, pipes, and tubular goods; and a very large proportion of the commercially available ore in the Lake Superior and Birmingham districts, together with the principal means of transportation from the most important section of the Lake Superior district, all of which was brought about not as the result of normal growth and development but through the wholesale combination of competitive plants and businesses.

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And further in failing and refusing to adjudge and decree that, as to the iron and steel products sold by each and its subsidiaries, the American Sheet and Tin Plate Company, the American Steel and Wire Company, the National Tube Company, the American Bridge Company, the Carnegie Steel Company, and the Federal Steel Company, severally, are now combinations in restraint of trade and attempts to monopolize and monopolizations of a part thereof, in violation of sections 1 and 2 of the antitrust act.

And further in failing and refusing effectually to dissolve each of the aforesaid combinations.

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XV.

In failing and refusing to adjudge and decree that the United States Steel Corporation, its officers and agents, be enjoined from voting or receiving dividends in respect of its holdings of the stock of the Carnegie Steel Company, Federal Steel Company, American Steel and Wire Company, National Tube Company, American Sheet and Tin Plate Company, American Bridge Company, Shelby Steel Tube Company, Lake Superior Consolidated Iron Mines, Pittsburgh Steamship Company, Union Steel Company, Clairton Steel Company, and Tennessee Coal, Iron and Railroad Company, or any of them, or otherwise exercising any control over any of them or their plants or properties; and in failing and refusing to adjudge and

decree that the businesses and assets of the several subsidiary combinations, to wit, the American Sheet and Tin Plate Company, the American Steel and Wire Company, the National Tube Company, the American Bridge Company, the Carnegie Steel Company, and the Federal Steel Company, be divided in such manner and into such number of parts of separate and distinct ownership as may be necessary to restore competitive conditions in the iron and steel trade and bring about a situation in harmony with the law.

XVI.

In failing and refusing to adjudge and decree that the control by the United States Steel Corporation of the Duluth and Iron Range Railroad and the Duluth, Missabe and Northern Railway, two competitive interstate carriers of ore, constitutes a combination in restraint of trade and an attempt to monopolize and a monopolization of a part thereof in violation of sections 1 and 2 of the antitrust act; and in failing and refusing to adjudge and decree that said combination be effectually dissolved.

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XVII.

In failing and refusing to find and to hold that the United States Steel Corporation, the Carnegie Steel Company, the Carnegie Company, the Federal Steel Company, the National Steel Company, the American Steel and Wire Company, the National Tube Company, the American Tin Plate Company, the American Sheet and Tin Plate Company, the American Sheet Steel Company, the American Steel Hoop Company, the American Bridge Company were formed for the purpose of suppressing competition in iron and steel products among the plants which they respectively acquired and as a device for unduly restricting competition in said products in violation of the antitrust act.

XVIII.

In failing and refusing to find and to hold that the defendants Andrew Carnegie, Henry C. Frick, Chas. M. Schwab, James Gayley, J. P. Morgan (deceased), Charles Steel, E. H. Gary, Norman B. Ream, Edmund C. Converse, Percival Roberts, jr., William H. Moore, J. H. Moore, Daniel G. Reid, P. A. B. Widener, William P. Palmer, John D. Rockefeller, John D. Rockefeller, jr., and others formed the United States Steel Corporation in 1901 as a device for suppressing existing competition and preventing the further growth of competition in iron and steel products among the following companies: The Carnegie Company, the Federal Steel Company, the National Steel Company, the American Steel and Wire Company, the American Bridge Company, the American Steel Hoop Company, the National Tube Company, the Lake Superior Consolidated Iron

Mines, and the Shelby Steel Tube Company, and such other concerns of a like character as might thereafter be acquired, thereby restraining trade in violation of the antitrust act; and that pursuant to
337 the unlawful purpose for which it was formed, the United States Steel Corporation ever since has been and is still being used as a device for suppressing competition among the various competitive plants and businesses controlled by it and thereby restraining trade in violation of the antitrust act.

XIX.

In failing and refusing to find and to hold that the United States Steel Corporation practically controls the general movement of prices in the iron and steel trade.

XX.

In failing and refusing to prevent by injunction any renewed attempt on the part of the United States Steel Corporation and its subsidiaries to maintain the prices of iron and steel products by concert of action with their competitors after having found that at times prior to the filing of the petition in this cause there had been such concerted maintenance of prices in violation of the antitrust act through the so-called Gary dinner movement, inaugurated in 1907 by E. H. Gary, executive head of the United States Steel Corporation.

And further, in failing and refusing to find and to hold that—with the exception of a brief period in 1909, when the United States Steel Corporation permitted its subsidiaries to cut prices in order to bring the other manufacturers into line—the so-called Gary dinner movement was continued until the Government began an investigation thereof in 1911, shortly prior to the filing of the petition in the cause, and that it was through the undue power possessed by the United States Steel Corporation to control and fix the prices of its subsidiaries for iron and steel products that other iron and steel manufacturers were induced to join in this plan to maintain
338 the prices fixed by the United States Steel Corporation and its subsidiaries.

XXI.

In failing and refusing to find and to hold that in 1907 the United States Steel Corporation, through its subsidiary, the Great Western Mining Company, entered into the so-called Hill lease for the purpose and with the effect of further extending, in violation of sections 1 and 2 of the antitrust act, the unlawful control which it had previously acquired over ore in the Lake Superior district, and that said lease was continued in effect in violation of the antitrust act until after the filing of the petition in this cause.

XXII.

In dismissing the petition and in failing and refusing to sustain the entire petition and each and every charge therein as to each and every defendant in the above-entitled cause (except the defendant, J. H. Gruber), and in failing to adjudge all costs in favor of the petitioner.

XXIII.

In failing and refusing by appropriate orders and decrees specifically to prevent and restrain the continuation of the various combinations, conspiracies, monopolies, and attempts to monopolize trade in iron and steel products, charged in the petition and established by the proof, as well as the recurrence thereof, and in failing and refusing to enjoin each and every defendant (except J. H. Gruber) from continuing or again engaging in such combinations, conspiracies, monopolies, and attempts to monopolize trade in iron and steel products.

G. CARROLL TODD,
Assistant to the Attorney General.

339 HENRY E. COLTON,
Special Assistant to the Attorney General.

Endorsed: U. S. District Court, District of New Jersey. United States of America vs. United States Steel Corporation et al. Petition for appeal and assignment of errors. Filed October 28, 1915. George T. Cranmer, clerk.

340 In the District Court of the United States for the District of New Jersey.

The United States of America, petitioner, vs. United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Com-

pany, Tyler Iron Mining Company, Van Buren Iron Mining Company; Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, J. H. Gruber, said named individuals being sued as trustees; J. P. Morgan, Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, William P. Palmer, and John P. Morgan, jr., William P. Hamilton, Herbert L. Saterlee, and Lewis Cass Ledyard, as executors, defendants. In equity. No. 6214.

Order allowing appeal.

341 Be it remembered that in the above-entitled cause, on the 28th day of October, 1915, the United States of America, petitioner, appearing by counsel, presented and caused to be filed its petition praying an appeal to the Supreme Court of the United States from the final decree entered herein on the 10th day of September, 1915, and at the same time presented and caused to be filed its assignment of errors, all as required by the statutes and rules of the court. On consideration thereof it is hereby ordered that said appeal as prayed be, and is hereby, allowed; and the clerk of this court is hereby directed to transmit a duly authenticated transcript of the record, proceedings, papers, and evidence in said cause to the Supreme Court of the United States at the earliest practicable date.

JOS. BUFFINGTON,
Circuit Judge.
JOHN B. MCPHERSON,
Circuit Judge.
WILLIAM H. HUNT,
Circuit Judge.
VICTOR B. WOOLEY,
Circuit Judge.

(Endorsed:) United States District Court, District of New Jersey. United States of America, petitioner, vs. United States Steel Corporation and others, defendants. Order allowing appeal. Filed Nov. 1, 1915. George T. Cranmer, clerk.

342 In the United States District Court for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. No. 6214.

It is ordered that the clerk of the District Court, in certifying the record in this case to the Supreme Court of the United States, shall certify the printed volumes of the record corresponding to the

printed volumes of the testimony and exhibits referred to in the examiner's certificate of September 30th, 1914, consisting of fifty-seven (57) volumes.

It is ordered, as to the exhibits not printed or only partially printed, referred to in the examiner's certificate of September 30th, 1914, that the clerk shall certify copies or duplicates of the same, but in the event that there is no copy or duplicate of the same on file in the clerk's office he shall certify the exhibits referred to in the examiner's certificate.

It is further ordered that the clerk, in certifying the record, shall attach to the pleadings the Attorney General's certificate of public importance, the examiner's certificate, the opinions of the court, the decree, the appeal papers, including the assignment of errors and the citation, and the other orders and papers of the same general character, to the end that these papers may be bound together in the same volume for the convenience of the Supreme Court.

JOS. BUFFINGTON,
JOHN B. MCPHERSON,
VICTOR B. WOOLLEY,
Circuit Judges.

343 We consent to the above order.

LINDABURY, DEPUE & FAULKS,
Solrs. for United States Steel Corporation et al.
G. CARROLL TODD,
Assistant to the Attorney General.
HENRY E. COLTON,
Special Assistant to the Attorney General.

(Endorsed:) United States District Court, District of New Jersey. United States of America vs. United States Steel Corporation and others. Order as to record. Filed May 4, 1916, at 11 o'clock a. m. George T. Cranmer, clerk.

344 In the United States District Court for the District of New Jersey.

United States of America *vs.* United States Steel Corporation and others.

Opinions. June 3, 1915.

345 In the United States District Court for the District of New Jersey. United States of America *vs.* United States Steel Corporation and others.

Before Buffington, Hunt, McPherson, and Wool'ey, circuit judges.

Buffington, J.

We may say in advance that all the members of this court are in agreement as to the decree that will be entered in this case, although

we are not in complete accord concerning every step by which that result is reached.

The subject matter of the litigation is of such magnitude and complexity, and the record is of such size that the effort to set bounds to this discussion has not been easy. So many questions, large or small, were laid before us in the oral argument, and so many are considered in the extended briefs of counsel, that we can not hope to give them all a place in such discussion. But we trust that one or other of the two following opinions will pay adequate attention to the most important, with the result of avoiding repetition
346 as far as possible while presenting somewhat different aspects of the controlling principles by which the case must be decided. Without a needless expansion of the discussion it would scarcely be practicable to take up each detail for the purpose of pointing out just where we are in complete agreement and where certain divergencies of view exist. We have thought it best, therefore, to adopt the course referred to, believing that the two opinions will cover the whole case and will also sufficiently indicate the reasons that have led us to a common conclusion.

This case—a proceeding under the Sherman antitrust law—is largely one of business facts. The construction of that statute has been settled by the Supreme Court—Standard Oil Company v. United States, 221 U. S., 1; United States v. American Tobacco Company, 221 U. S., 106. That construction was applied in this circuit in the Keystone Watch case, 218 Fed. Rep., 502; and the Powder Trust case, 188 Fed. Rep., 127. It follows, therefore, that our duty is largely one of finding the facts and to those facts applying settled law. The act in question provides:

"SEC. 1. Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

346 "SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine, or conspire with any other person or persons to monopolize any part of the trade or commerce among the several States or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

"SEC. 4. The several circuits courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of

the Attorney General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

"SEC. 7. Any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by this act, may sue therefor in any circuit court of the United States in the district in which the defendant resides or is found, without respect to the amount
348 in controversy, and shall recover threefold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee."

When the Constitution of the United States conferred on Congress the right "to regulate commerce with foreign nations and among the several States," its purpose was not to fetter, but to further and foster, trade. The constitutional purpose to promote lawful trade by protecting it from unlawful restraint is avowed in the title of the Sherman Act, viz: "An act to protect trade and commerce against unlawful restraints and monopolies," and, as held by the Supreme Court, Standard Oil case, supra, "one of the fundamental purposes of the statute is to protect, not to destroy, rights of property."

Now, unlawful restraints of trade are of three kinds—past, present, and future. As to present and future restraints, Congress, by sec. 3, empowered "the Attorney General to institute proceedings in equity to prevent and restrain such violations," and to that end invested the courts "with jurisdiction to prevent and restrain violations of this act." The jurisdiction here conferred is the chancery power of injunction, a power which is used to restrain present wrongs or prevent threatened ones. This is shown by the act providing even for temporary preliminary restraining orders while the case is being heard. "The function of an injunction is to afford preventive relief, not to redress alleged wrongs which have been committed already." Lacassagne v. Chapin, 144 U. S. 124, cited in Black v. Jackson, 177 U. S. 360. Applying that general principle, the Supreme Court of the United States, in the Standard Oil case, supra, citing Swift v.
349 United States, 196 U. S. 375, said on page 77. "It may be conceded that ordinarily where it was found that acts had been done in violation of the statute, adequate measure of relief would result from restraining the doing of such acts in the future." In view of what was held by this court in the Powder case, supra, it scarcely need be again said by us that where the evil effects of past undue restraint or monopoly continue to be effective and harmful when the proceeding is begun; that is, where "the inherent nature of the contemplated acts" is such as to bring about their continuance

and repetition, or where, to use the expressive language of the Supreme Court in the Standard Oil case, 221 U. S., 75, a "perennial violation" of the act exists, the jurisdiction to restrain present and prevent future violations vests under this section, and if to prevent continuance of such continuing wrongs a dissolution of the unlawful combination is necessary to make the relief effective, the original combination will be dissolved. That power was exercised by this court in the Powder case, supra, and by the Supreme Court in the Standard Oil case, supra, and the Tobacco case, supra. In the Keystone Watch case, supra, this power to dissolve was not exercised, the court there saying, page 519:

"But we see no sufficient evidence that the public interest requires us to break up the existing corporate entity. U. S. v. Great Lakes Towing Company, 208 Fed. Rep., 746. The record satisfies us that the watchcase business is not suffering from the absence of live and healthy competition, and, except in the directions already mentioned, namely, the retail sales of the Howard watch and the policy of boycotting, we think the court is not called upon to interfere."

350 The reason why the power to dissolve was exercised in the Standard Oil case, namely, that it was a violation continuing up to the filing of the petition, is pointed out by the Supreme Court in these words:

"But in a case like this, where the condition which has been brought about in violation of the statute, in and of itself, is not only a continued attempt to monopolize, but also a monopolization, the duty to enforce the statute requires the application of broader and more controlling remedies," and is justified because "the acts and dealings established by the proofs operated to destroy the potentiality of competition * * * but also to be an attempt to monopolize and a monopolization bringing about a perennial violation of the second section."

To this we may add that while the power to dissolve was for the same reason exercised by us in the Powder case, yet it will be observed there was in that case a refusal to enjoin as to certain defendants, the court saying: "As the only relief we can grant in this proceedings is injunctive, the petition must be dismissed as to any defendant who was not violating the law or threatening to violate it when the suit was commenced." Indeed in each of the cases the injunction was granted not to enjoin past violations, or because there had been violations in the past, but because such violations were continuing when the bill was filed. It will, therefore, appear that by this act a comprehensive plan of relief was mapped out "to protect trade and commerce against unlawful restraints and monopolies," first, a criminal prosecution by the Government under sections

351 one and two for all violations past and present; second, an injunction in equity, on complaint of the Attorney General under section four, against all present or threatened violations of the act; and third, a civil suit under section seven by any one injured against any violator of this act.

In pursuance of the power vested in him by section four above quoted, George W. Wickersham, then Attorney General of the United States, on October 26th, 1911, filed this petition. Without entering into detail, we may say it prays that the Federal Steel Company, organized in 1898; the Carnegie Steel Company, organized in 1900; the Carnegie Company of New Jersey, organized in 1890, which held the stock of the Carnegie Steel Company of Pennsylvania; the American Steel & Wire Company, organized in 1899; the National Tube Company, organized in 1899; the National Steel Company, organized in 1899; the American Tin Plate Company, organized in 1898; the American Steel Hoop Company, organized in 1899; the American Sheet Steel Company, organized in 1900; and the United States Steel Corporation, which acquired the stocks of said companies, be held unlawful monopolies; and that the United States Steel Corporation, and each and all the said units composing it be decreed to be illegal and be dissolved, and that their officers and stockholders be perpetually enjoined.

Seeing, then, that the remedy here sought is that of both dissolution and injunction, we turn to the statute to ascertain on what state of facts dissolution should be decreed or injunction awarded.

The words of the statute are few and clear. Manifestly, the trade which it seeks to protect is the natural and normal buying and selling of property, and the protection it gives is by preserving to
352 all engaged in such trade, this trade-right of natural and normal buying and selling, free from unlawful restraints and monopolies. For it will be observed, the statute is not directed against all restraints and all monopolies, but "against unlawful restraints and monopolies." This naturally raises the practical question, What are the lawful restraints and monopolies which the statute impliedly does not forbid, and what are the unlawful restraints and monopolies which it not only expressly forbids, but enjoins and, indeed, makes criminal? In the late case of Nash v. United States, 229 U. S., 373, the Supreme Court, referring to its former decisions, clearly defines what the statute forbids and does not forbid, as follows:

"Those cases may be taken to have established that only such contracts and combinations are within the act as, by reason of intent or the inherent nature of the contemplated acts, prejudice the public interests by unduly restricting competition or unduly obstructing the course of trade."

The present case involves the legality not of a contract but of a combination, that is, the legality of the United States Steel Corporation, which the petition asks to have dissolved. Therefore, applying the foregoing definition of the Supreme Court to the case in hand, the basic question for us to decide is one of fact, namely, whether the union of the several defendant companies in the United States Steel Corporation "prejudices the public interests by unduly restricting competition or unduly obstructing the course of trade." The public interests thus prejudiced consist of, first, competitors in trade;

second, the purchasing public; and third, the general public. For example, if this steel company was in any way guilty of unfair
353 business competition, if it was guilty of such conduct as to unfairly force a competitor out of the steel business, or if it unfairly prevented those who wanted to go into the steel business from doing so, then the steel company was, in the judgment of the Supreme Court, prejudicing the public interests by unfairly driving individuals out of business or preventing them from entering it, and it was also injuring the public by unduly restraining trade. So also if this steel company was restricting output in order to exact unfair prices; if it was buying up competing plants and dismantling them to needlessly restrict output; if it was, by reason of its controlling power, furnishing the public with inferior goods; if it was using its power to needlessly and unfairly reduce wages; if it was seeking to deceive purchasers by a false appearance of competition, when in fact it owned or controlled such seeming competition; then it was prejudicing not only that portion of the public which desired to buy steel, but the public interests generally, by unduly obstructing the course of trade and thereby preventing the steel business from moving in its natural and normal channel.

A study of the various anti-trust cases shows that such unfair, prejudicial acts as we have thus instanced have been found where the Sherman law has been held to have been violated. Thus in the Standard Oil Case, supra, page 76, the Supreme Court, referring to the conduct of that company toward its competitors, says:

"We think no disinterested mind can survey the period in question without being irresistibly driven to the conclusion that the very genius for commercial development and organization which it would seem was manifested from the beginning soon begot an intent and purpose to exclude others which was frequently manifested by acts
354 and dealings wholly inconsistent with the theory that they were made with the single conception of advancing the development of business power by usual methods, but which on the contrary necessarily involved the intent to drive others from the field and to exclude them from their right to trade and thus accomplish the mastery which was the end in view. * * * The exercise of the power which resulted from that organization fortifies the foregoing conclusions, since the development which came, the acquisition here and there which ensued of every efficient means by which competition could have been asserted, the slow but resistless methods which followed by which means of transportation were absorbed and brought under control, the system of marketing which was adopted by which the country was divided into districts and the trade in each district in oil was turned over to a designated corporation within the combination and all others were excluded, all lead the mind up to a conviction of a purpose and intent which we think is so certain as practically to cause the subject not to be within the domain of reasonable contention."

Like unfair conduct toward competitors marked the Tobacco Case, 221 U. S., 106. It was there said:

"The history of the combination is so replete with the doing of acts which it was the obvious purpose of the statute to forbid, so demonstrative of the existence from the beginning of a purpose to
355 acquire dominion and control of the tobacco trade, not by the mere exertion of the ordinary right to contract and to trade, but by methods devised in order to monopolize the trade by driving competitors out of business, which were ruthlessly carried out upon the assumption that to work upon the fears or play upon the cupidity of competitors would make success possible. We say these conclusions are inevitable, not because of the vast amount of property aggregated by the combination, not because alone of the many corporations which the proofs show were united by resort to one device or another. Again, not alone because of the dominion and control over the tobacco trade which actually exists, but because we think the conclusion of wrongful purpose and illegal combination is overwhelmingly established by the following considerations: a. By the fact that the very first organization or combination was impelled by a previously existing fierce trade war, evidently inspired by one or more of the minds which brought about and became parties to that combination. b. Because, immmediately after that combination and the increase of capital which followed, the acts which ensued justify the inference that the intention existed to use the power of the combination as a vantage ground to further monopolize the trade in tobacco by means of trade conflicts designed to injure others, either by driving competitors out of business, or compelling them to become parties to a combination."

It will also be seen the evidence of intended monopoly and throttling of competition was found in the buying up of plants, not
356 commercially needed, and then dismantling them. Thus in the Tobacco Case, supra, pages 182 and 183, it was said:

"We think the conclusion of wrongful purpose and illegal combination is overwhelmingly established by the following considerations: * * * By persistent expenditure of millions upon millions of dollars in buying out plants, not for the purpose of utilizing them, but in order to close them up and render them useless for the purposes of trade."

Taking steps to keep others from entering the business is also recited as a violation of the act.

"The conclusion of wrongful purpose and illegal combination is overwhelmingly established by the following considerations: * * * By the gradual absorption of control over all the elements essential to the successful manufacture of tobacco products, and placing such control in the hands of seemingly independent corporations, serving as perpetual barriers to the entry of others into the tobacco trade."

So also in the Keystone Watch Case, supra, pages 510 to 512, unfair conduct toward competitors constituted the violation of the statute. Speaking for this court Judge McPherson there said:

"Beginning in 1904, or thereabouts, it made several attempts—perhaps not very numerous, but numerous enough—that showed a definite purpose to restrain trade by attempting to fix and
357 maintain prices, and by using a species of boycott or blacklisting in order to lessen the trade of its rivals. We shall not stop to detail the attempts of this character that were made during the period from 1904 to 1910, because the policy and system to which we refer were manifested with unmistakable distinctness in the latter year, and were carried on with vigor and persistence. * * * Now what the defendant company did was either to close these already existing and already utilized outlets, or to narrow them materially, so far as the (watch) cases of its competitors were concerned; and we think the proposition need not be discussed, that this was pro tanto a direct and unlawful restraint of trade."

So also amongst other factors which tended to show a violation of the statute, reference was made to the Tobacco Case, page 174, to the maintenance of a false appearance of competition.

"The record indisputably discloses that after this merger the same methods which were used from the beginning continued to be employed. Thus, it is beyond dispute, * * * that the new company has besides acquired control of eight additional concerns, the business of such concerns being now carried on by four separate corporations, all absolutely controlled by the American Tobacco Company, although the connection as to two of these companies with that corporation was long and persistently denied."

In the Powder Case, supra, oppression of competitors existed and was thus referred to, page 140, Judge Lanning speaking for this court:

358 "The association of manufacturers of powder and other explosives had probably never been stronger than it was in February, 1902, when the change in the management of the DuPont Works took place. It had for years arbitrarily fixed prices in the different parts of the United States, waging a disastrous war against competitors until they were coerced into terms satisfactory to the association or brought into the association. * * * Measures were often devised to limit the output of members of the association and to crush competition by manufacturers not members of the association."

The tests of the violation of this statute having then, as we have seen, been adjudged by the Supreme Court, Nash v. United States, supra, namely, whether the acts in question "prejudice the public interests by unduly restricting competition or unduly obstructing the course of trade," it would appear the questions of fact for us to determine from the evidence are these:

First. Was the Steel Corporation, when this bill was filed in 1911, prejudicing the public interests by unduly restricting competition or unduly obstructing the course of the steel and iron trade, between the States or with foreign nations? If this question be answered, yes—the law was then being violated and an injunction should issue to restrain present and future violations.

Second. Did the Steel Corporation, when it was formed in 1901, either by the intent of those forming it, or by the inherent nature of that company's contemplated acts, prejudice the public interests by unduly restricting competition or unduly obstructing the course of the steel and iron trade, interstate or foreign? If this question
359 be answered, yes—then the law was violated and the Steel Corporation must be adjudged originally illegal. If illegal, it must be dissolved, because only thus can its inherent nature be prevented from continuing to work further violations of the statute. On the other hand, if these questions are negatived, then the Steel Corporation should not be dissolved, but permitted to pursue that usual course of trade, which it was the purpose, as we have seen, of this statute to protect. It will thus be seen that, as stated at the outset, his case is practically one of business facts.

Turning then to the first question, let us address ourselves, first, to the iron and steel trade here in the United States and inquire whether the evidence satisfies us that the Steel Corporation, when this bill was filed in 1911, was then prejudicing the public interests by unduly restricting or unduly obstructing the steel and iron business of the United States? In considering that question a number of fields of inquiry naturally suggest themselves. Had this company in 1911 a monopoly of the steel and iron trade of the country? What had been and was then its business conduct toward its competitors? Was it fair or unfair? Had it forced or was it forcing others out of the steel trade by unfair conduct? Had it prevented others from entering it? Was it then exacting or had it exacted from the public undue prices for its products? Had it lowered the character of its products? Had it cut down or was it cutting down its output so as to restrict proper supply? Had it taken advantage of its power to unduly reduce wages? All these, as we have seen, from the Standard Oil, the Tobacco, the Powder, and the Keystone Watch cases, were
inquiries by which the question could be determined, whether
360 the Steel Corporation was acting as the Supreme Court said in the Standard Oil Case, page 58, with "the legitimate purpose of reasonably forwarding personal interest and developing trade," or, on the other hand, "with the intent to do wrong to the general public and to limit the right of individuals."

Now, as trade is a contest for it between different persons and the gain of that trade by one means the loss of it to another, it follows that the person who best knows whether the man who gained it gained it fairly, is the man who lost it. If there is monopoly, if unfair business methods exist, if the course of trade and fair trading is throttled, we can find proof of it from business competitors.

Trade competitors are the first to feel the pinch of unequal, unfair, and undue restraint of the natural and normal course of trade. Being the first to suffer, they are the keenest to condemn. Turning, then, to this Steel Corporation's competitors, let us decide from the proofs whether the Steel Corporation had, when this bill was filed, a monopoly of the iron and steel business of the United States.

We turn, first, to finished rolled products, because they are the basic supply to the vast number of varied industries throughout the country dependent thereon. If all these minor industries are dependent on a monopolized source of an indispensable base, we can say without going further that not only such industries, but the general public are prejudiced. For as said and held by the Supreme Court in the Tobacco Case, wrongful purpose and illegal combination are established "by the gradual absorption of control over all the elements essential to the successful manufacture of tobacco (steel) products." Indeed, the importance of such basic supply in the independent steel trade is shown by the fact that in the
361 congressional investigation of the Steel Corporation, made by Congress by resolution of January 28, 1905, hereafter referred to, the second inquiry there ordered was, "To what extent said corporation and its associates control the output and prices of the finished products made by independent companies dependent upon it for their raw materials." What, then, are the facts in reference to finished rolled products? In that regard, the evidence (see Summary in defendants' statement of case, page 412) is that in 1911, the finished rolled product—which excludes pig iron, steel castings, and ingots—of the United States (using in this opinion when quoting figures round numbers, and by the term "Steel Company" or "Steel Corporation" meaning the United States Steel Corporation) was nineteen million tons. Of this tonnage the competitors of the Steel Corporation produced 54%, or ten million three hundred thousand tons, while the Steel Corporation made eight million seven hundred thousand tons. But not only did its competitors produce in 1911 the major part of the country's finished rolled product as above, but, judging from the past, the present proportionate lead of the competitors bids fair to increase. In 1901, when the Steel Company was formed, the total finished rolled product of the United States was thirteen million tons. This was substantially divided between 49.9% made by its competitors, and 50.1% by the Steel Company. While both together have since increased the Nation's product from thirteen to nineteen million tons, yet of this six million increase its competitors produced three million four hundred thousand tons to the Steel Company's two million six hundred thousand tons.

Taking steel ingots, another basic supply on which great
362 numbers of finishing industries are ultimately dependent, we find (defendants' statement of case, page 406) that while in 1901, of the thirteen million tons of the total American ingot production, the competitors of the Steel Company only made four and a half million tons as against the Steel Company's eight and a half

millions, yet by 1911, in the country's vast increase from thirteen to twenty-four million tons, the competitors had increased their production by six and a half million tons, while the Steel Company had only increased four and a half millions. In other words, while the Steel Company produced, in 1901, 66% of the country's ingot production, it was producing but 54% in 1911.

In pig iron, the basic supply of foundries, finishing mills, and other dependent industries, the relations were slightly the other way. In 1911, out of a total cast of twenty-two million tons of pig iron (defendants' S. C., page 405), only twelve millions, or 54.8%, were made by competitors of the Steel Company as against nine millions, or 56.8% made by such competitors in 1901, out of a total of sixteen millions, a decrease of 2%.

These facts and figures, bearing on basic supplies of the country's dependent iron and steel industries, satisfy us that there is no monopolistic control anywhere of such basic factors as ingots, pig iron, and finished rolled products, and the testimony hereafter referred to satisfies us that any substantial producer of such basic articles can, by selling such products at such lower price as he sees fit, compel all producers of such supplies, including the Steel Corporation, to also lower their prices. So also monopolistic control of finished steel articles in wide use would be a matter of grave public prejudice. Taking, for example, wire production, in which, through fencing, nails, and the great range of articles made from wire products,
363 so many people are interested. When the Steel Corporation was formed in 1901, of the nine million kegs of wire nails then made in the United States, the competitors of the Steel Corporation made three million kegs, the Steel Corporation six. By 1911, the country's production had grown to thirteen millions, but of the three and a half millions of increase the Steel Corporation made one million as against its competitors making two and a half million. The net result was that when this bill was filed the Steel Corporation's competitors had six and a half million and the Steel Corporation seven million of the country's total production of thirteen and a half million kegs. So of wire netting, fencing, and other wire products in general use. The general average of the Nation's total production made by competitors when this bill was filed was 78%. It will be seen that in this particular respect, due no doubt, as we shall see, to the growth of its foreign trade in wire products, the Steel Corporation had slightly increased its proportion from 20% of the total product in 1901 to 22% in 1911. But at the same time it will be noted that, as the very large part of the Steel Corporation's increase in wire products was made in foreign trade (the proofs, vol. 10, page 3902, show that only 42% of the Steel Corporation's wire product of 1911 was sold in the United States), it was in 1911 making relatively much less of the wire products consumed in the United States than it was in 1901.

In the important item of structural steel used in bridges, steel frame buildings, steel car frames, etc., the Steel Corporation's com-

petitors produce about 67%, the Steel Corporation 33%. And, for the same reason as shown above, in the growth of the foreign trade it will be seen by an analysis of defendant's exhibit, vol. 3,
364 page 317, and vol. 2, page 204, that in structural shapes, is in wire products, the Steel Company was in 1911 making relatively less structural articles of this country's consumption than it was in 1901. So also in steel rails. In 1901 the competitors of the Steel Company made one million one hundred thousand tons of steel rails, the Steel Company one million seven hundred thousand. In 1911 its competitors made one million two hundred thousand tons, an increase of one hundred thousand tons, while the Steel Company made one million six hundred thousand tons, a decrease of one hundred thousand tons.

Summarizing our study of the proofs of this general subject, of the relative part of the Steel Company and its competitors in the total iron and steel production of the country and their relative part in the home market, we find that, taking the ten years from 1901, when the Steel Company was formed, until 1911, when the Attorney General filed this bill to dissolve it, its competitors, starting in 1901 with making 49.9% of the Nation's production of finished rolled product, including structural materials, rails, sheets, rods, and bars, had by 1911 so increased their relative proportion that they were then producing 54.3% of the Nation's iron and steel output. And confining ourselves for the present to the production of 1911 used in the trade of the United States, which alone we are now considering, we find that of the total amount of such iron and steel products in the whole market in that year nearly sixty per cent was produced by the competitors of the Steel Company. These conclusions, based as they are on proven, practical business facts and figures,
365 show a strong trend away from any monopolistic absorption or trade-restraining control of iron and steel manufacture or markets of the United States by the Steel Corporation. On the contrary, these figures show a strong trend in that manufacture and market toward an even greater absorption thereof by the virile and growing competitors of the Steel Company. And this leads us, in an adequate discussion of the case, to at this point take up the character of the competition in the steel and iron business in this country, for we may rest assured of the practical fact that where in any business there exists a healthy, normal, unrestrained, and virile competition which all are free to enter, the individual has full freedom of business opportunity, and the public is in no danger of prejudice from monopoly or trade restraint.

When the steel business of the United States is referred to one thinks of it as practically being in the hands of the United States Steel Corporation. Circumstances have made this natural. The manufacture of iron and steel in their basic form is confined to local districts. Outside of these localities and outside of those engaged in the steel business there was prior to 1901 but little general knowledge or appreciation of its magnitude and its basic relation to the

general business of the country. When, therefore, this great steel company was quickly formed in that year and became at once the largest corporate capitalization known it naturally and at once became associated in the general mind with absolute monopolistic control. But the fact that the Steel Corporation, after due selection by it of such lines of finishing mills as were deemed necessary to carry out its plans, left outside of it a most strenuous body of
366 strong competitors was not then generally recognized. The names, location, and resources of those great competitors were not then and, indeed, are not now known to those outside the steel and iron business. Nor was the significance of the antimonopoly competitive powers and policies of such competitors appreciated. Indeed, the business fact above found, namely, that in 1911, when this bill was filed, the competitors of the Steel Company were making and marketing nearly 60% of the steel and iron produced in the United States, would surprise many. Since, therefore, the gist of monopoly is the suppression of competition, we deem it pertinent to ascertain from the proofs the character and steady increase of competition in the iron and steel business since the Steel Corporation was formed. In doing this we here note of its great competitors such only as have in the ten years of competition between them and the Steel Corporation made a higher proportionate gain of business than the Steel Corporation itself.

Taking the Steel Corporation as the basis of comparison, we may say that while the proofs show a very material increase of forty-odd per cent in the Steel Corporation's business from 1901 to 1911, yet this very substantial increased percentage of the Steel Corporation's own business was less than that made by each of eight of its great competitors, as follows:

Company.	Location.	Increase of production from—	Percentage of increase.
Bethlehem Steel Company	So. Bethlehem, Penna	1901 to 1913	3,779.7%
Inland Steel Co	Indiana Harbor, Indiana	1901 to 1913	1,495.9%
La Belle	Wheeling, W. Va	1901 to 1913	463.4%
Jones & Laughlin	Pittsburgh, Pa	1901 to 1912	206.7%
Cambria Steel Co	Johnstown, Pa	1901 to 1913	155.5%
Colorado Co	Pueblo, Colo	1901 to 1912	152.8%
Republic Iron & Steel Co	Youngstown, O	1901 to 1912	90.8%
Lackawanna Steel Company	Buffalo, N. Y	1901 to 1911	63.2%

367 Taking up these companies one by one, it will be seen that in location, facilities, capital, and basic supplies they show such strong past, present, and prospective competition as affords just ground for concluding that the steel and iron business of this country is not being, and indeed can not be, monopolized by the Steel Corporation. For the real test of monopoly is not the size of that which is acquired, but the trade power of that which is not acquired.

Turning first to the Atlantic seaboard, we find there a competitive group composed of the Bethlehem Steel Company, the Pennsylvania

Steel Company, and its subsidiary, the Maryland Steel Company. The two latter companies are additional to the above list, and are here referred to only to note their tidewater location as an advantage which the Steel Corporation with its inwardly located works does not possess. The works of the Pennsylvania Steel Company are near Harrisburg, Penna., and those of the Maryland Steel Company at Sparrows Point, near Baltimore. These two companies have a combined capital and surplus of some sixty-six million dollars, and with large extensions (vol. 20, p. 7978) in view. Their ore supplies are drawn from the great Cornwall ore beds of eastern Pennsylvania and from Cuba, where they have inexhaustible supplies of Bessemer ore, which can be worked by steam shovels and are close to tidewater. Three matters have impressed us in reference to this seaboard competition: First, that the eastern seaboard iron and steel competition of the Steel Corporation has an ore supply wholly independent of Lake Superior; second, that their location near the seaboard gives, in many cases, substantial freight advantages over the Steel Corporation; and, thirdly, that the greatest advance in ore and steel production
368 in the past ten years has been made by a seaboard competitor of the Steel Corporation, the Bethlehem Steel Company. And as bearing on the question of the alleged object of those who originally formed the Steel Corporation to monopolize and unduly restrain competition and obstruct trade, it is to be noted that the striking growth and development of the Bethlehem Company was undertaken by one who helped form the Steel Corporation, who served as its first president, and who, if the object for which the Steel Corporation was formed was to monopolize the iron and steel business or to restrain trade, was warned of that intent. That such a man should attempt to build up a competitive business and succeed in expanding it as has been done, shows that he at least was convinced that the field of fair, free, and full competition was open to him and others who desired to enter the steel business, and that the Steel Corporation had neither the business purpose nor the business power to monopolize the steel business or to throttle the growth of competition.

As we shall see later, the market reach of basic iron and steel plants is measurably restricted to its own district by freight limitations. (Stevenson, vol. 3, p. 1084; Gary, vol. 12, p. 4834; King, vol. 6, p. 2076; Thompson, vol. 22, p. 9141.) The supplies from which steel is made and the basic articles into which it is turned are of such bulk and weight as to thus localize or restrict their markets. Freight forbids such heavy product being hauled to far-removed markets. The existence and maintenance of strong competitive steel production on the seaboard is therefore a matter of grave import to the great section of the United States immediately tributary to the Atlantic coast.

Into this seaboard region the Steel Corporation enters under
369 freight burden, its bulk mills being substantially in the Chicago and Pittsburgh districts. The proofs show that its seaboard competitors named have, as noted, abundant ore supplies.

cheap water freights, and a great accessible surrounding market. Without entering into detail, we refer to some suggestive facts in the proofs. For example, the proofs (vol. 10, p. 4028) show that the Maryland Steel Company, through its coast line water freight of $2.50 per ton, so covers the territory supplied by Mobile, Galveston, and other Gulf of Mexico distributing points as to exclude from that territory even the product of the Tennessee Coal and Iron Company, now owned by the Steel Corporation, which pays a railroad freight of $3.40 per ton. The proofs (vol. 18, p. 7248) further show that with the enlargement of the Erie Canal system, Lake Superior ore will be canal-freighted from Buffalo to New York at 28c. a ton less than the same ore is rail-freighted from Lake Erie ports to the Pittsburgh district. With the enlargement of that canal, the proofs are (vol. 18, p. 7283) that blast furnaces are now planned for location on seaboard waters in New York Harbor limits. And it should be here noted that the proof is (vol. 11, p. 4182) that the whole steel industry of the United States could be duplicated on the Atlantic seaboard and inland (vol. 11, p. 4178) as far as Pittsburgh, and could be run on ores brought from Chili and Brazil alone. Lake Superior ores of the same metallic unit grade as the Brazilian would, in the view of the Michigan Tax Commission (Government's Exhibits, vol. 10, p. 2435), cost seven dollars a ton delivered at the Atlantic seaboard as against ore of three dollars from Brazil, which the report states has "a tremendous field of high-grade Bessemer iron ores running 65 to 68% metallic iron." As to the Cuban ore the
370 proof (vol. 17, p. 6862) is "The total cost will not in any case exceed $2.25 per ton, and in ordinary shipping seasons will probably not exceed $2.10 per ton. This means that the ore reaches Philadelphia at a net cost of 4 cents per unit of iron. It is the cheapest ore supply in the world delivered at eastern Atlantic ports or in German or English ports. * * * In normal years Lake Superior ores at the extreme eastern points at which they could possibly be shipped to meet eastern or foreign ores would have to get a price of nine cents a unit in order to compete." These facts and figures show that there is no basis on which to attempt ore monopoly. The proofs further show that to adequately enter this seaboard territory and meet the competition of those located on the seaboard, the Steel Corporation was forced to establish large local distributing warehouses on the seaboard. For example (vol. 10, p. 4060), the corporation established, amongst several others, warehouses on the Atlantic coast near New York carrying $2,000,000 and one at San Francisco carrying $4,000,000 of diversified steel products.

Proof of the strength and growth of this seaboard competition is found in the record of the Bethlehem Steel Company. That company, in 1901, its first year of competition with the Steel Corporation, made 18,000 tons of finished steel product, which was largely confined to rails. By 1913 it had increased its product to 700,000 tons. During that time it had also (King, vol. 6, p. 2120) entered into competition in structural steel, armor plate, and varied steel

products. Indeed, its chief products, structural steel (vol. 11, p. 4149), and open-hearth rails (vol. 11, p. 4150), of which it is making 200,000 tons, have been developed since 1908. From
371 four thousand employees it has grown to fifteen thousand. It has in view (vol. 11, p. 4336) further integration to the extent of making all the finished products made by the Steel Corporation. Its ore supply of a million and half tons a year comes from Sweden, from the Adirondack regions in New York, from Chili, and from Cuba, where it has practically inexhaustible reserves. The proofs as to these Chilean ore fields show that this corporation and other tide-water steel plants are wholly independent of Lake Superior reserves. The Chilean beds outcrop; they are stripped instead of mined; they are within a short distance of the coast to which they are gravity-dropped. They are magnetic hematite and dry—a great saving in transportation, as will be appreciated by those familiar with the wetness of Lake Superior ores, which necessitate the carrying of thousands of tons of water. The proofs show the substantial character of this competitor, with a surplus and capital of $55,000,000, and further integration in view.

Referring at this point to the existence of a fair and open competitive field, as sensed by practical men in the iron and steel industry, we gain light from the proofs in reference to the Youngstown Sheet & Tube Company, of Youngstown, Ohio. That company does not appear in the foregoing list because it came into existence after the Steel Corporation was formed. It is an inland company; its ore supply is from Lake Superior. It started the year after the Steel Corporation was formed. It purchased its reserve ore supply in 1903. It began with an investment of $600,000, which in the succeeding years has been increased to over $29,000,000. By 1913 it had an annual capacity of a million tons of ingots and sold that year over 800,000 tons. This company is cited as evidencing three
372 things; first, that the men in the steel and iron trade, immediately after the Steel Corporation was formed, felt they had the opportunity to enter and prosper in the steel and iron business, both in the home and (Manning, vol. 19, p. 7968) foreign markets; second, they felt secure about their basic ore supply; and, third, they were free to and did build up a great business in making steel ingots, one of the primary products or bases.

Coming next to the Pittsburgh district, we find a strong competitor of the Steel Corporation in the Jones & Laughlin Company, which, at the time of the Steel Corporation's formation the proofs show (Gov't. Ex., vol. 4, p. 1513) was then so integrated as to make "a greater variety of product than any other steel or iron company in the country." In 1901 its finished product alone was nearly one-half million tons. By 1912 it had increased that production to one and a half million tons. During that time it had integrated still further by building large additional works and had (King, vol. 6, p. 2120) entered into competition with the Steel Company and others in the manufacture of tin plate and wire rods. Like all these

other competitors mentioned, the Jones & Laughlin Company is thoroughly "integrated"; that is, it has its own basic supplies and carries on its work in continuous process from ore to diversified finished-steel products. It has large reserve holdings of ore in the Lake Superior region, and an ore fleet on the Great Lakes with a carrying capacity of 40,000 tons. It has over fifty millions capital and a large surplus.

Going east, we find at Johnstown, Pennsylvania, the Cambria Steel Company, a strong company, also thoroughly integrated, and with an investment of nearly seventy millions. From 400,000 tons
373 finished product in 1901, Cambria increased to nearly 1,200,000 in 1913, and it has (vol. 6, p. 2199) further improvements in view looking to a large increase in its output. It has a fifty years' supply of Lake Superior ore and a Lake fleet of a capacity of 50,000 tons. At this point the president of this company might be quoted. He was called as a witness both by the Government and the Steel Company. His testimony is enlightening, as showing that his and other companies in the steel business feel the Steel Corporation has no power, even if so disposed, to monopolize, restrict, or stop their business. We quote (vol. 28, p. 12034) from his testimony:

"Q. Have or not the leading competitors of the Steel Corporation, since 1901, increased their capacity or further integrated or added to their holdings of ore or coke?

"A. Oh, yes, sir; there have been a great many new properties secured by the other companies, and a large number of developments in both the coking regions and the ore regions.

"Q. And what would you say as to their progress, if they have made any in the matter of integration and diversification of products?

"A. I think all of the companies have expanded and improved their plants and strengthened their holdings of raw material.

"Q. In your testimony for the Government, referring to Jones & Laughlin, the Lackawanna, Cambria, the Republic, and perhaps others, you stated as follows:

"'I do not think that there is any one of those companies that could not compete with the United States Steel Corporation and compete successfully.'

374 Q. "You were not then asked to give your reasons for that opinion; be good enough to give them now.

"A. It is a very simple proposition to build a furnace and steel plant or finishing mills fully the equal of the Steel Corporation's, and labor can be employed at exactly the same price, and there is absolutely no difficulty in producing the various products at practically the same cost.

"Q. Has the Steel Corporation any such advantage, owing either to its size, the extent of its integration, or any other circumstance, as would enable it to put its competitors out of business, did it choose to do so?

"A. No, sir. It would be impossible for it to do so without committing suicide.

"Q. Why?

"A. Well, their product is practically sold in this country—of course, they do a small export business—but they sell to the same people that we do, and we sell to the same people that they do, and if they would make prices so low that we could make no profit on it there would be nothing left for the Steel Corporation; and if they would undertake to put us out of business by selling below our cost they would be selling below their cost, so that I can not see how it would be possible for them to put a well-managed concern out of business.

"Q. Could the Steel Corporation confine any destructive warfare which it might undertake to any one competitor? In other words, could they wage a warfare against the Cambria or Jones & Laughlin, or any of the other considerable concerns without involving the rest of their competitors?

375 "A. No, sir; that would be impossible.

"Q. Could they confine any warfare that they might undertake either against a single competitor or against all other competitors to any particular locality?

"A. No, sir; because the markets are all affected in sympathy, and if the price was made below cost in one market only we could go to the other; we would seek other markets.

"Q. Why do you say that the Steel Corporation could not make war against one competitor only without involving the rest of them?

"A. Because, for instance, we all sell to practically the same class of trade, to the same customers. We sell to many people who buy from Jones & Laughlin and the Steel Corporation and the Republic and the Inland Steel Company and various other companies, so that it would be impossible to pick out the customers of any one manufacturer, and you cannot affect the price in one market without affecting it in all the other markets in the country.

"Q. Has the ability of the Steel Corporation to resist any such warfare increased since 1901? Are they any better able to take care of themselves in such warfare now than they were in 1901?

"A. No, sir; I would say that they are not. I do not fear the Steel Corporation as much as I fear other competition."

Without going into detail as to the other companies in the foregoing list, we may refer to the Colorado Company, whose market, the proofs show (vol. 26, p. 10935), covers the United States west of the Mississippi. This company is integrated, is independent of the Lake Superior ore, has more than sixty years' supply of its own ores in Wyoming, New Mexico, and Utah, and has largely expanded its plants since 1901. It has resources of eighty million dollars, and its finished product has increased from about 200,000 tons in 1901 to about 500,000 tons in 1912. This company has by its western location (vol. 26, p. 10937) a freight advantage over the United States Steel Corporation and all other eastern competitors in selling rails to most of the railroads west of the Mississippi.

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The history of the next company is illustrative of the feeling of confidence and security among practical steel men, which warranted them in making, since the Steel Corporation was formed, large expenditures and entering into competition in the steel business. The Republic Iron & Steel Company, of Youngstown, Ohio, was in 1901 engaged principally in making iron. Its finished product that year was some 500,000 tons. It has since expended $25,000,000 in changing its business from iron to an exclusively steel one. Like all other steel makers, the Republic Company's policy has been one of simply following the progressive and universal practice of integration incident to the development of the use of steel. The Republic Company's process of integration, its president (vol. 2, p. 732) well describes:

"We have practically eliminated all our scattered iron mills, have concentrated them in the operation at a few points of production. So to-day we produce practically but little iron and are manufacturing about a million tons of steel per annum. This is what we call an integrating process; that was part of it, the addition of the
377 mineral and coke and blast furnaces and balancing up operations generally, completing the integrating process. * * * This integrating process that I speak of attended our development of the steel end of our business. We did not need it so much when we were simply manufacturing iron. It was done for economic and trade reasons on account of the increased demand for steel and the decreased demand for iron."

The Republic has increased the range of its product and production until it is now a million and a quarter tons and extends (vol. 28, p. 11999) all over the United States and Canada. It has gone into the Birmingham (Alabama) field, where it has plants, as well as in Pennsylvania, Missouri, Illinois, Indiana, Iowa, and Michigan. It has acquired forty million tons of Lake Superior ore reserve and eighty million in the Birmingham district and has a Lake fleet of 18,000 tons. Its growth during this time was such (Topping, vol. 2, p. 735) that it is producing 1 25th of all the steel produced in the United States and 1/30th of all the iron. From a study of the testimony there is no doubt that the men who made these large expenditures in 1906 were satisfied that the field of fair business competition in the iron and steel business was open to them. These expenditures were made in completely integrating its manufacturing facilities. This integration consisted (vol. 22, p. 9131) in increasing its blast and open-hearth furnaces and ore supply and carrying their basic product forward to completion by additional plants, which included finishing mills for merchant bar, for sheet bar, for billets, and
for plate, in addition to galvanizing works, rivet, spike, bolt,
378 and nut departments and by-product coke works. They have no more to fear from the competition of the Steel Corporation than they have from that of any other of their other competitors. The testimony of this company's president, who, like the Cambria's

president, was called as a witness both by the Government and the Steel Company, is instructive on that point. It is:

"Q. Where is the market for your product?

"A. All over the United States and Canada.

"Q. Has the Steel Corporation, in your opinion, power to put the Republic out of business?

"A. I think not.

"Q. Has it the power to put its competitors generally or any of its principal competitors out of business?

"A. I would say not.

"Q. What is your reason for thinking that they have not that power?

"A. I would have two reasons: One, that they have not the physical ability to do it, and, secondly, if they attempted it they would involve their own market to such an extent that they would suffer equally with us. What I mean by physical is this: Their principal competition, companies like ourselves and others as strong as we are, are properly integrated; in other words, being self-contained on raw material, well equipped, and at least fairly well managed and properly financed, so that a combination of that kind would give us as much power to produce within somewhere a close approximation of their cost, at least their difference would
379 not be so great that they could put us out of business. They have some advantages, and so have we.

"Q. Now, as to your second reason, that it would involve them in loss as well as you, what do you mean by that?

"A. Well, to illustrate, we might have a customer, we will say, in Michigan, engaged in the manufacture of agricultural implements, and another one in Illinois or Indiana. If we should sell in Michigan steel bars and plates that enter into the cost of production of a machine at a less price to A in Michigan than we do in Illinois, we would probably soon hear from B in Illinois, because those two men would naturally compete in the general market of the United States with their machinery. So it would be with all other fabricated products made from steel, the markets are interrelated and interlaced to such an extent that you can not reduce prices, in my judgment, in one market without affecting, in a short time, the market elsewhere for the same commodity.

"Q. Could the Steel Corporation localize a destructive warfare against its competitors?

"A. Not in my opinion.

"Q. Why not, if there is any other reason than you have already indicated?

"A. I should say that the reason I have already indicated would be a complete answer to that thought. There is a sympathetic relationship existing between all markets that is so close that my experience would compel me to say that you could not affect the price in Chicago without affecting the price in New York; as a matter of fact that is the experience that we have had.

380 "Q. And could the Steel Corporation wage a destructive warfare against any one of its competitors without involving all of them?

"A. No; I will say not."

The same confidence to enter into competition thus evidenced in the Republic Company was also shown by the Inland Steel Company of Indiana. That company has expanded its investment from some four millions to twenty millions. It has acquired Lake Superior ores and a Lake fleet of considerable capacity. Asked the question (vol. 22, p. 9144):

"From your knowledge of the iron and steel business, the relative capacities of those engaged in it, the capitalization of the United States Steel Corporation, its ownership of railroads, its connection with financial interests, state whether or not, in your judgment, it has the potentiality, if it uses it, to destroy its competitors."

Its president testified:

"A. No; that is absurd. They can not do it. I think it is a physical impossibility. I can not imagine how they could do it.

"Q. Is there any possible doubt in your mind of the ability of the Inland Steel Company to maintain itself in any kind of competition?

"A. Well, that is what we are aiming to do. We think so. We think we are getting as well prepared as most of our competitors by the money that we have spent there, and I believe it has been spent on the right lines. I know that we would not change any of it if we had it to do over again, as far as we have gone.

"Q. And you are well integrated, as you have stated?

381 "A. Yes; we did the best that it was possible to do.

"Q. Mr. Thompson, you stated in answer to my question a short time ago that the competition between the Inland Steel Company and these other companies had been active in the territory that you serve?

"A. Yes, sir.

"Q. What do you mean by 'active'?

"A. Always at it. We were always trying to get business. I don't know how to express it any stronger than to say that we were all looking for trade in an active way all the time, keeping ourselves posted on conditions and soliciting business from just such men as the witness who was examined here this morning and from other railroads; I say it is active because we are always at it—all of us."

We have referred above to competitive steel conditions on the Atlantic seaboard as shown by the proofs. Those proofs also show (Pigott, vol. 26, p. 11066) how competition to the Cambria, Jones & Laughlin and the Steel Corporation has grown on the Pacific coast. This competition has increased since the Steel Corporation was formed. Mr. Pigott testifies his company has built at San Francisco open-hearth furnaces with a capacity of 30,000 tons, bar mills with 30,000 tons capacity, and at Seattle a rail rerolling mill with a capacity of 30,000 tons. For its basic supply this company is wholly independent of the Steel Company, Jones & Laughlin, the Cambria

Steel, and all eastern companies doing business on the Pacific coast. This is clearly shown by the proofs. This company gets one-half of its pig iron from China and the balance from the Republic
382 Company and the Tennessee Coal & Iron Company. The proof (vol. 10, p. 3887) that the freight paid to deliver the Tennessee Company pig iron from Birmingham, Alabama, to San Francisco is $10.08 per ton. The proofs further show (p. 3889) that the Chinese pig iron is delivered at Pacific coast points at a freight rate of $3.70 per ton. If to this $3.70 be added the price of the pig iron, $6.20 per ton, it will be seen that the Chinese pig iron at $6.20 plus freight $3.70, $9.90, can be paid for and delivered on the Pacific coast for about the amount, $10.08, the Republic and the Tennessee Company pays for freight alone. As the proofs (p. 3887) further show that pig iron from India is being delivered in San Francisco from Calcutta at an expense of $12.38 per ton, namely, price of pig iron, $5.40, plus freight, $6.98, it will be seen that the future basic supply of this and other companies that may spring up on the Pacific coast can be had of Asiatic pig metal wholly independent of the Steel Corporation and other eastern competitors. In view of the further proof (vol. 11, p. 4182) that the ores on the western coast of Mexico—and necessarily those of Chili—are also available, and that the improved practice in steel making (vol. 3, p. 992) makes ores now usable which were formerly not so, the conclusion is warranted that the field for all possible development on the Pacific coast in the steel business is wholly free from any monopolistic control whatever. It will thus be seen that a substantial steel industry in rails, bars, and open-hearth steel has, in fact, grown up on the Pacific coast while in competition with the Steel Company, a competition which Mr. Pigott (vol. 11, p. 11074) describes, "from the standpoint both of a customer and a competitor," "has been beneficial."

As we have said, we have, as throwing light on the substan-
383 tial character of the strong and increasing competitive forces in the steel business, referred only to those above named. It is proper, however, to add that the proofs in the case (Defendants' Ex., vol. 1, p. 137; vol. 2, p. 209–210; and vol. 3, p. 371), shows the Steel Company has eight competitors in rolling structural shapes; that is, beams for bridges, sky scrapers, etc., and in the fabrication of such structural material over three hundred competitors. In the rolling of merchant bars it has very considerably over a hundred competitive mills.

Later, we shall note the testimony of competitors as to their relation to the Steel Corporation, but before referring to individual relations we deem it proper to here refer to some general phases of monop'ly which affect all competitors. One of these was the practice by large companies of exacting freight rebates from railroads under threat of diverting shipments elsewhere. These practices were common up to the time of the ending of the old era of freights unregulated by the Government. (Gov't. Ex. vol. 3, p.

1120; vol. 2, p. 441; vol. 3, p. 1031; vol. 3, p. 1035; and the discussion, in vol. 3, p. 956–7.) In Swift & Co. v. United States, 196 U. S. 402, the Supreme Court said: "It is obvious that no more powerful instrument of monop'ly could be used than an advantage in the cost of transportation," and in the Standard Oil case, supra, this subject was again referred to as "the acquisition here and there which ensued of every efficient means by which competition could have been asserted; the slow but resistless methods which followed, by which means of transportation were absorbed and brought under control * * * all lead the mind to a conviction of a purpose and intent which we think is so certain as practically to cause the subject not to be within the domain of
384 reasonable contention." On January 28, 1905, Congress directed (Gov't. Ex. No. 206, vol. 5, p. 1615) the Secretary of Commerce and Labor to investigate the steel and iron industry of the country with a view to ascertaining to what extent the United States Steel Corporation controlled the output and prices of finished product made by independent companies dependent upon it for their raw material, and to report any restraints by it of commerce, foreign or domestic. James R. Garfield, who was Secretary of Commerce and Labor, made this examination, was called as a witness. He testified (vol. 14, p. 6190) he had made an investigation and examination of the railways in a similar manner to that made in the Standard Oil and found no rebating whatever by the railroads to the Steel Corporation. That he was justified in his conclusion is strengthened by the fact that at a meeting of the Steel Corporation's executive committee in 1901, called to consider the policy of the company toward railroads, the minutes (Gov't. Ex. vol. 3, p. 957) show the position taken the first year of the corporation's formation by its chairman, and there recorded, was "that we can not afford to take the position of asking any railroad, directly or indirectly, to discriminate in our favor." This policy was later emphasized (vol. 12, p. 4790) in a letter sent to the presidents of the railroads (Deft's. Ex., vol. 3, p. 295) handling the Steel Corporation's freight, as follows:

SEP. 20, 1906.

Personal.

DEAR SIR: As you know, this corporation long since adopted the unalterable policy of recommending to subsidiary companies in which it is interested that under no circumstances should
385 rebates be solicited or received contrary to law. This policy will be strictly adhered to, and it is hoped and expected your subordinates will be advised and instructed accordingly. If anyone should at any time violate his instructions in this respect, notice of the same should be promptly given to the president of the subsidiary company interested and also to the undersigned.

Yours, very truly,

W. E. COREY, *President.*

In view of this announced policy of the corporation, of the investigation made by the Department of Commerce and Labor, of the absence of any complaints by any competitor, and of no proof of any freight rebate being given, we are justified in concluding that the Steel Corporation has not used or sought to use freight rebates as a means of undermining its competitors or of monopolizing business.

We next turn to ruinous trade wars against competitors which, as we have seen, was one of the features of attempted monopoly denounced by the Supreme Court. In that connection it is to be noted that under conditions incident to the steel trade the power of a large steel company to carry on a ruinous trade war against any particular competitor does not exist in the iron and steel industry. The customers of the great steel companies are large jobbers, and the purchasing agents of other companies, who are in the closest touch with every fluctuation of the steel market. The result is that any effort on the part of any one of these great steel companies to inaugurate a trade war by ruinously underselling a competitor would at once (owing to the sensitiveness and interrelated character of the steel market result in forcing the company that was thus
386 ruinously selling in any particular market or locality to in the same way ruinously lower its prices in every other community. In that respect the president of the Youngstown Sheet & Tube Company, a competitor, testified (vol. 22, p. 9144) that if the Steel Corporation attempted such a course "they would involve their own market to such an extent that they would suffer equally with us." The testimony of the president of the Cambria Steel Company, already quoted (vol. 28, p. 12036), is to the same effect, as well as that of the president of the Republic Iron & Steel Company (vol. 28, p. 11999). And the practical impossibility of such a course is shown by Judge Gary (vol. 14, p. 5378), where he testifies:

"I feel certain that by reason of our integrated proposition we had the advantage in cost of production over our competitors generally. If any one having advantage in any business is willing to sell down to his cost price, of course he would live while his competitors would starve, but that is a most unnatural position for any producer to take and long continue."

In view, therefore, of the uncontradicted proof of those familiar with the steel business, that no such ruinous trade war could with profit to itself be carried on by the Steel Company against a competitor, and in the absence of proof of any effort by it to harass them by such conduct, we are warranted in concluding there has been no attempt by the Steel Corporation to monopolize or restrain trade through ruinous trade wars against its competitors. For of the conduct of the Steel Corporation the views of its competitors is the best gauge. Monopoly and unreasonable restraint of trade are,
387 after all, not questions of law, but questions of heard-headed business rivalry, and whether there is monopoly of an industry, whether trade is subjected to unreasonable restraint, whether

there is unfair competition are facts about which business competitors best know and are best qualified to speak. And it may be accepted as a fact that where no competitor complains, and much more so, where they unite in testifying (Campbell, vol. 5, p. 1857; Smith, vol. 19, p. 7942; King, vol. 6, p. 2121; Bowron, vol. 25, p. 10247; Pigott, vol. 26, p. 11075; Manning, vol. 19, p. 7701) that the business conduct of the Steel Corporation has been fair we can rest assured, there has been neither monopoly nor restraint. Indeed, the significant fact should be noted that no such testimony of acts of oppression is found in this record as was given by the competitors of the Tobacco or Standard companies in the suits against those companies. We have carefully examined all the evidence given by competitors of the Steel Corporation. We have read the testimony of customers who purchased both from it and from its competitors. Its length precludes its recital here, but we may say its volume, the wide range of location from which such witnesses came, and their evidently substantial character in their several communities make an inevitable conclusion that the field of business enterprise in the steel business is as open to and is being as fully filled by the competitors of the Steel Corporation as it is by that company.

Taking as fair samples of the views of the competitors, we note, first, the testimony of James Bowron, president of the Gulf States Steel Company, who says: "Their competition is strictly fair." Herbert S. Smith, vice president of the Standard Steel Company
388 of Alabama, and formerly general sales agent of the Lackawanna Steel Company of Buffalo, who says: "I have always regarded the competition of the Steel Company's subsidiaries as the fairest competition that we have." Of western manufacturers, we note that of William Pigou, president of the Pacific Coast Steel Company, who says: "I have always found the competition of the United States Steel Company and its subsidiaries fair. Its existence has been beneficial to the steel and iron trade of the country." We have noted above the remarkable growth of the Youngstown Sheet & Tube Company, which came into existence in 1905, and in the meantime has grown to be a very important competitor of the Steel Company. The testimony of James A. Campbell, its present president, who was called as a witness by the Government (vol. 5, p. 1857), so fully covers the subject of the attitude of the Steel Corporation towards its competitors and the purchasing public that we quote it at length:

"A. My experience is that it is the best competition we have; that they are open and above board in all of their dealings. Their prices are either published or we get direct information from them or through our customers as to what their price is, and we find that their price is practically the same to everybody. With other competition that we have, with the independents, for instance the independents vary more in their prices, and we never quite know what their price is. It may be one thing to-day and another to-morrow, and they do not conduct their business in the same way, because it is a smaller

business and more of an individual business; and they will
389 make prices according to the class of material pretty largely and the class of orders. So we were not as capable of gauging how they are conducting their business as we are in regard to the subsidiary companies of the Steel Corporation.

"Q. Is your competition with these subsidiary companies of the United States Steel Corporation active and energetic and vigorous competition?

"A. It is—very, at times. We sell to many of the same people that they do—the same class of material.

"Q. Have you ever known of their having made low prices in a limited section of the country for the sake of attempting to put a competitor out of business?

"A. I think not. I do not recall any time, with any company.

"Q. Have they in your experience been guilty of any unfair methods to suppress competition?

"A. I think in the early days—I did think in the first two or three years we were in business that there were some things done, and I think done without the knowledge of the higher officials, that were unfair; but those disappeared promptly, and there has been nothing of that kind—nothing but the fairest competition in every respect for the last seven or eight years.

"Q. When the market has been falling, what has been your experience as to the prices which they have maintained as compared with those of the independents?

"A. In depressed times, when there is not nearly enough business to keep all of the mills operating to their full capacity, their
390 prices are usually higher than the independents. In good times, when the mills are all working to capacity, their prices are usually lower than the independents. The independents will accept bonuses and do things of that kind that I do not think the corporation will do. So that I think the general effect is for the steadying of prices and making them better for the country at large, and of course in dull times it is a great protection to the smaller manufacturer to have them keep their prices up, when business is slack, than it would be if they went out like the Carnegie Steel Company did in the early days and took all the business and shut the other people down."

To this may be added the testimony of Charles M. Schwab, who knew the conduct of the company as one of its original officers, and later, as one of its competitors, felt the effects of its policy. We quote from his testimony (vol. 11, p. 4154–5) at length:

"A. In the beginning of the Steel Corporation, during my presidency, the policy of the corporation toward its competitors was not one of endeavoring to hurt, not one of endeavoring to stifle or to destroy, but the policy of naming a price for our products not only to our customers, but openly through the trade journals, if you will, because I used to give it to the Iron Age and the Iron Trade Review each week, and the sticking of these prices throughout the trade:

there probably were exceptions of a minor character to very large consumers, but as a rule during my presidency of the corporation the prices of its products were fixed and published, and they
391 were what were charged the customers. Is that clear?

"Q. You say you gave these prices to the public, as a rule, once a week?

"A. I did.

"Q. To the trade journals?

"A. To the Iron Trade Review and the Iron Age.

"Q. Are they the principal trade journals in the steel industry?

"A. They are the principal trade journals.

"Q. What has been the practice of the corporation in those respects or along those lines since you left the presidency, as you have observed it, from the point of view of a competitor?

"A. So far as I know, from the point of view of a competitor, they have adopted since that time practically the same policy.

"Q. Have you ever known of the Steel Corporation to have a published price and a secret price, differing from the public one?

"A. So far as I am concerned personally I do not know of any.

"Q. Have you ever known or heard of a case where the corporation has sold at a less price in a particular market to drive out a competitor?

"A. Never.

"Q. Or has sought to obtain a customer of a competitor by secret rebates or departures from these open published prices?

"A. I have never heard of such a thing.

"Q. Either while you were president or since you have been a competitor?

"A. Never."

We next turn to that most injurious feature of monopoly's wrong to the public, to wit, increase in the price of its product or a deterioration in quality.

392 Turning first to the basic question of quality, no dispute arises under the proofs. They are simply uniform that both with independents and the Steel Corporation there has been a steady bettering of quality in steel products. This factor of improving its product has been recognized by the Steel Corporation, and a study of the testimony of its buyers satisfies us that this progressive growth in quality by the Steel Corporation has been the principal means by which it has acquired and held its business.

Turning next to the increase in price, we are met by two aspects of the case. Two learned experts have been called—one by the Government and one by the Steel Corporation—who draw different conclusions as to whether there was an increase or decrease in the price of iron and steel products. The deductions of both are supported by weighty contentions and numerous enlightening charts. The able reasoning of both has had the thoughtful consideration the standing of the two men challenges. We may note that the different ranges of time they have taken as the basis of their reasoning really makes

them reason about two different things. But apart from that, we think whatever may have been the range of iron and steel prices during the periods of consideration selected by each the proof is (vol. 28, p. 12000) that in these days of quick communication the general price of steel and iron products can not be localized but is interdependent in this country, and, indeed (vol. 28, p. 12013), internationally so. That proof is that when there is an oversupply, even in the European steel and iron market, that market tends to unload on the American steel market, and, on the other hand, when there is an oversupply here, this country seeks to dump on their
393 markets at any price. Without citing the proof in that regard, we may refer to Corrigan, vol. 26, p. 11096 and 11102; Moller, vol. 19, p. 7666; Topping, vol. 28, p. 12013; Kahn, vol. 23, p. 9483. It will also be observed that so sensitive and inter-related is the price of steel and iron that a drop in price of any particular branch of steel leads to a drop in all other branches. (King, vol. 6, p. 2114; Schwab, vol. 11, p. 4387; Kennedy, vol. 5, p. 1873; Topping, vol. 2, p. 682.)

No evidence is produced showing that there has been at any time an arbitrary or unreasonable increase in price of any one of the numerous products of the Steel Corporation. On the contrary, the proofs (Gov't Ex., vol. 14, p. 2912–22) show decreases in important steel products, among which we may refer to wire nails, which from selling in 1901 at $51.00, when the Steel Corporation was formed, were, in 1911, when this petition was filed, selling at $36.00. During the same time, steel bars receded in price from $33.00 to $25.00. Steel beams dropped from $36.00 to $27.00; billets from $27.00 to $24.00; and a statement, taken from the Steel Corporation's accounts (Def't Ex., vol. 2, p. 203), shows there was between 1904—a date when the Steel Corporation may be said to have been fairly systematized and under way—and 1912, a decrease in fabricated prices received by the company of 19% and of all other products of 11%. Summing up the business result, the president of the corporation (vol. 10, p. 3854) testified the Steel Corporation was in 1912 getting about $8.00 a ton less for materials in the domestic market than they were receiving in 1904. Moreover, it should not be overlooked that during these years there were substantial factors of increased expense in the cost of manufacture.

The freight on coke (vol. 10, p. 3781), of which the corpora-
394 tion uses some forty thousand tons a day, has increased 12% since 1901; the freight on limestone, which constitutes one-third of a furnace's burden, has increased 10% since 1901; and iron and steel wages (vol. 10, p. 3895) have increased 28½%.

Standing aside for later discussion the matter of the Gary dinners and the meetings following them, through which it is alleged the Steel Corporation, in cooperation with its competitors, unduly restrained and obstructed the normal course of the steel trade, and confining ourselves to the fixation or control of prices by the Steel Corporation itself, or its subsidiaries, we may say we have found in this record no proof by any witness showing any instance in

which the Steel Corporation or its subsidiary companies has set either an arbitrary, exorbitant, unfair, or controlling price on any one of its numerous products. It is a mere truism to say that the fixing and maintaining by a manufacturer of a fair price above cost is not only a right but a commercial necessity, and any other course must end in his bankruptcy. When such fair prices are departed from and they are unreasonably raised and exacted from the purchasing public, the public is prejudiced thereby. On the other hand, when that price is so unreasonably lowered as to drive others out of business, with a view to stifling competition, not only is that wronged competitor individually injured, but the public is prejudiced by the stifling of competition. Between these two price extremes there must in the nature of things be a considerable zone of reasonable price variation, and what is a fair price is a question which can only be determined by a careful ascertainment
395 from cost sheets and other data of such fair price. In the present case neither side has furnished this court with proof from which we could intelligently determine whether the prices charged by the Steel Corporation for any of the numerous articles here involved, beginning for example with pig iron and ending with rails, was unfair, exorbitant, or unreasonable. In the absence of such testimony, it is manifest that for this court to assume that the prices at which any of these articles were sold by the Steel Corporation and its competitors were unfair would be to base such conclusion on surmise instead of proof. But there is not only this absence of testimony in regard to the prices received being unfair and exorbitant, but there is, on the other hand, affirmative testimony which we can not disregard and which, as it seems to us, constrains us to conclude that the prices of the product sold by the Steel Corporation have been the result of the joint action of the law of supply and demand and of that vigorous rivalry which has at all times existed between the Steel Corporation and its competitors. In that respect we have the testimony of the Steel Corporation's great competitors, of large and small manufacturers over the whole country who purchased basic steel products and put them through other stages in their mills and factories; of jobbers and warehousemen who buy and hold for sale large stocks of steel products. The testimony of these men—and there is no testimony to the contrary—is that the iron and steel trade in the various products of the Steel Corporation is and has been open, competitive, and uncontrolled, and that all engaged therein have free-will control in selling at
396 their own prices. This important fact we shall not leave to here stand as a statement of a conclusion reached by us from a study of the testimony in volumes 18 to 28, inclusive, but at the risk of unduly prolonging this opinion we shall here spread of record the testimony of a few witnesses on that subject so that he who runs may read.

In taking up that question we have in the first place the proof that so far as the prices charged by the Steel Corporation are concerned

its practice has uniformly been to give the utmost publicity to such prices. In that regard Charles M. Schwab, a former president, testified (vol. 11, p. 4154), as already noted above:

"In the beginning of the Steel Corporation, during my presidency, the policy of the corporation (was) * * * of naming a price for our product not only to our customers but openly through the trade journals, if you will, because I used to give it to the Iron Age and the Iron Trade Review each week, and the sticking to these prices throughout the trade; there probably were exceptions of a minor character to very large consumers, but as a rule, during my presidency of the corporation, the prices of its product were fixed and published, and they were what were charged the customers. * * * So far as I know, from the point of view of a competitor (the witness is now president of the Bethlehem Steel Company), they have adopted since that time practically the same policy."

That these published prices are met in vigorous competition,
397 the proofs show. President Campbell of the Youngstown Company, speaking of his company says, in substance, that their (vol. 5, p. 1857) competition with these subsidiary companies of the United States Steel Corporation is active and energetic and vigorous, very at times. "We sell to many of the same people that they do—the same class of material." The sales manager of that company (vol. 19, p. 7701) testified that the subsidiaries of the United States Steel Corporation have been their competitors in these various lines of production and sales in every line they manufacture, and throughout the country. The competition has been very severe.

The president of the Colorado Company (vol. 26, p. 10940) says that in the bar-mill products they meet Jones & Laughlin, the plants of the Steel Corporation that make these products, the Cambria Steel Company in some of them. The competition has been vigorous and independent and unrestricted, so far as it affected them. He thinks the competition has increased in extent. There are two or three new elements in the field, and that has made all the old ones a little more active, including themselves. The testimony of the sales manager of the LaBelle Iron Works of Wheeling, West Va., may be taken as generally typical of the existence of an open steel market in competition with the Steel Corporation. That company had, during the ten years following the organization of the Steel Corporation, increased its finished products of billets, sheet bars, nails, tubes, plates, skelp, and sheets largely over four hundred per cent, and its market covered the entire country, Mexico, and Canada. Its sales manager (vol. 19, p. 7876) says that their competitors are

all the leading steel companies, pretty near—take the Lacka-
398 wanna, Cambria, Republic, the Youngstown Sheet & Tube, the Wheeling Steel & Iron Company, and the various constituents of the Steel Corporation. The prices which they obtain for their steel product are not fixed in agreement with their com-

petitors. That is true of each and every year of the ten years that he had been general manager of sales. It is true of each and every article they have produced and sold in the market. There has been no time during the ten years when the price of any article they have produced and sold has been fixed by agreement with any competitor. He is able to say that because the chances are that if it had been done in his company he would have known it. That is his business. The prices have sometimes been fixed in a general way in consultation with their president. No price has ever been suggested by the president or anybody else in any of these conferences as a price agreed upon by any competitor. The considerations that controlled him in these conferences, or when he acted independently of them in fixing prices, were competitive conditions and cost of manufacture. The state of their order book affects the question of prices. When the order book is lean they probably make lower prices. When full of orders the chances are they will advance prices. That is always the case. It is observable that competition is keener and competitors more active when times are dull and order books are lean. Prices usually rule higher when business is active and when business is dull they rule lower. The prices obtained by them have fluctuated. He would say the prices obtained by their competitors have fluctuated. The trade or competition in these various articles manufactured has been nearly always active during the period he has had charge of the sales. The competition has been what
399 you would term keen. They met three or four or more competitors in every article they manufacture. The competitors are numerous. They have grown in numbers and output.

The testimony of the chairman of the Republic Iron & Steel Company (vol. 28, p. 12019) shows how that large company arrives at its prices; they do not have uniform prices. They sell to some customers at one price and to other customers at another, varying with the size of the order, the quality and the character of the service they are expected to render, naturally. They have traveling men and their own branch sales offices. As a general rule, they send out to them prices at various times at which they are to sell their various products. They give minimum prices below which they shall not go, and allow them to use their intelligence in getting all above they can. That minimum would naturally be the same for all of them. Generally speaking, it would be the same based on cost. They give them the same latitude; in other words, the same general base, which represents a minimum below which they must not go, as it might involve a loss.

The general sales agent of the Lackawanna from 1905 to 1910, testifies (vol. 19, p. 7905) as to the competitive prices of that company, other than rails, to which special subject we refer later. He says that he had entire charge of the sale of the output of the company, making prices. Their market covered practically the entire United States. Their product was always sold in competition with the product of other manufacturers of steel. The competition was

always keen and a great many times aggressive. The leading competitors were the mills of the Steel Corporation, the Carnegie Steel Company, the Jones & Laughlin Steel Company, the Inland Steel Company, the Cambria Steel Company, the Pennsylvania
400 Steel Company, the Eastern Steel Company, the Carbon Steel Company, the Maryland Steel Company; there were some others that he does not remember for the moment. In general and in almost every case he had the fixing of the prices. The prices were not fixed in agreement with competitors; always independently. That holds for the whole period of five years that he managed the sales. There was no time during that period when the prices he either quoted or fixed were quoted or fixed in agreement with any of their competitors as to any article that they sold. The prices were both uniform and variant. They might have been uniform on steel rails in some cases, and they might have been uniform on steel plates and shapes in some cases; but not necessarily so. They were following (referring to the uniformity on plates) at that time what they called the market price, and as a rule they tried to obtain the so-called market price. It was a matter of pride with a steel manufacturer to sell his goods at as high a price as that of any other manufacturer, and if the leading makers were getting $1.60, they felt it was up to them to get the same price, hence the uniformity of price. They were not always able to get the price they tried to get. They found some means of shading it. The extent of their order book or list was a great factor in making prices, the terms of payment, and deliveries. If the mill was short of orders in any one line, special efforts were made to get business in that particular line, and in such cases, the seller is inclined to be rather more moderate in his demands, as to price, terms of payment, and all that. The prices varied considerably both ways during the period mentioned. That is true of everything except rails. When he went with the Lacka-
401 wanna Steel Company he found that the price of standard Bessemer steel rails was $28.00 a ton at the mill; it had been fixed for some time; he did not know how long a time. That price he adopted and never varied from it. It was tacitly understood that that was the price of their steel rails as fixed by the Lackawanna Company. He testified that no statement (referring to conference with the president on the prices of other products) was ever made in any of these conferences by the president of a price agreed on with competitors which would be adopted or maintained by the Lackawanna. He didn't recall any instance in which he was ever interfered with by an officer of the Lackawanna during the time he was there, in quoting such price as seemed best in his judgment to be warranted by business conditions. He doesn't recall any price ever named by him based on any other consideration than competitive business conditions.

As to the Jones & Laughlin competition, the testimony of the man in charge of the sales (vol. 20, p. 8029) is that Jones & Laughlin make steel billets, slabs, and blooms, and convert those into finished

products, principally structural material, plates, bars, shafting, chains, spikes, wire nails, tin plate, and black sheet in tin mill sizes. These different products that they have are sold in competition with other makers of similar products. The competition is unlimited. He means unlimited by agreements as to prices. That is true of everything he has mentioned. He says that this has been so to his knowledge for about nine years. The competition has been keen. It extends to competition in the matter of prices.

From fellow competitive makers of the same general products as the Steel Company we naturally turn to the testimony of mill
402 owners who use as their basic supplies the products made by these large companies, and inquire whether, as buyers, they have found any price fixation by these basic manufactures. As a type of that character, we note the testimony of the president of such a company (vol. 20, p. 8050), who in substance says:

I should say we were using about 25,000 to 30,000 tons a year in 1901. It has been growing each year. I think last year we purchased something in the neighborhood of 100,000 tons. I know of no other single customer for bar mill products in the United States that buys as much as 100,000 tons. We buy from the Carnegie Steel, the Cambria Steel, the Republic Iron & Steel, the Youngstown Steel & Tube, and others. We have always found competition for our purchases of bars. Very keen, most generally. Of course, there are times in normal business when it is not so keen, times when the consumer of bars are competing to get them. We can generally purchase at less price than the quotation; that is, the quotations published in the Iron Age or the Iron Trade Review. I have never observed any indication of a combination or agreement among bar makers to fix prices. We have always been able to buy on fair competition. I think we have always been able to get the benefit of fair competition.

The general manager of the next largest company of this character in the country (vol. 20, p. 7999), speaking of the purchases of his company, in substance, says:

The competition is mainly between the Carnegie and the Republic. Price is one kind of that competition; the ability to handle our par-
ticular class of business and sufficient capacity on account of
403 our enormous consumption of bars. We generally contract for our tonnage and we take bids on that contract. There is competition in the matter of price, in the matter of delivery, and to some extent in quality. So far as we know or can find there is no evidence of price fixing between the companies. We believe there is genuine competition for our business.

The president of a large boiler works, and a purchaser of both plates and tubes (vol. 20, p. 8015), in substance says:

We receive quotations on plates from Lukens Iron & Steel Company, Worth Bros., Carnegie Steel Company, Cambria, Carbon, and occasionally Allegheny Steel. They vary. There is a difference in the quotations from the different concerns. There is a range from one to three dollars a ton. We have never observed any evidence

of a combination to fix prices among the different concerns that make quotations to us. We feel we get the benefit of a genuine and unrestricted competition for our purchases.

The president of a large bolt and not[1] industry, the basis of which is rod and bar steel (vol. 20, p. 8042), says, in substance:

We have been buying from the Carnegie Steel Company, Jones & Laughlin, and the Republic Steel & Iron Company. Before buying bars and rods it is our custom to ask quotations from different makers. We buy two or three times in a year. The quotations on rods vary somewhat in price, about fifty cents a ton. They have been varying in that way to my knowledge since 1904. I never saw any evidence since 1904 of any combination to fix prices on our purchases. We have always got the benefit of competition on both of them.

401 The manager, since 1901, of the largest single gas company in the country (vol. 20, p. 8085) says, in substance:

I am familiar with the purchases of iron and steel pipe made by that company since 1901. I decide which bidder shall be awarded the contract. During that period we have got quotations from thirteen different companies—there are eleven at the present time we get them from. We let our contracts and award our orders on the competitive basis all the time. The quotations vary, and have done so ever since I have been connected with the company.

The president of a considerable tank manufacturing company (vol. 20, p. 8127) testifies as to competition for his purchases, saying, in substance:

We buy from the Carnegie Steel Company, Cambria Steel Company, Jones & Laughlin, and have bought some from the Eastern Steel Company, and also from LaBelle Iron Works. We find prices are nearly uniform from all companies in busy seasons, when the mills are busy. When the mills are not busy we get little concessions from most any of them, not to exceed $1.00 a ton, or something of that kind. I would consider it keen competition. I think we have had the benefit of genuine, aggressive competition for our business. We have had a range of prices—take three years past, or for ten years—ranging from $1.10 to $1.50, and that, I think, is competition.

The same open competitive seeking after business of a steel spring company, that buys for its basic supplies large quantities of steel bars and billets, is shown. Referring to the period from 1902 to 1913, its purchasing agent, in substance, says:

405 We buy bars from the Carnegie Steel Company, the Inland Steel Company, the Cambria and the Pennsylvania. The quotations vary. There has been competition ever since I have been connected with my business. We buy billets from most any one that sells—New York State Steel, Carnegie Steel, LaBelle Iron Works, Portsmouth Steel, Inland Steel, the Bethlehem, the Pittsburgh Steel Company, and the Republic. The quotations we have received on

[1] So in original.

billets varied very materially. That has been so ever since I was connected with it. So far as I have been able to tell there has been competition in the billet business both as to price and on our part as to delivery. I certainly do think we have had the benefit of competition.

The president of a large coal mining company, which uses light rails, testifies (vol. 20, p. 8172), in substance:

As a rule we buy on a competitive basis. In Pennsylvania we get quotations from the Carnegie Company, Jones & Laughlin, Cambria Steel, Pennsylvania Steel, and Bethlehem. I should say that under normal conditions there is a range in the quotations all the way up to a dollar a ton. That is when business is normal. There are times when we can not get quotations from many of those rail companies. That would be times of great prosperity in the steel business. The conditions have been such as I have described since 1901. So far as I know we get the benefit of real and genuine competition in our purchases of light rails.

The president of a very large jobbing company in semifinished steel products testifies, in substance (vol. 20, p. 8176), as follows to the purchases being competitive:

406 I have been familiar with the business since 1899. We deal in billets and slabs, steel bars, Bessemer iron, basic iron principally; malleable iron sometimes, some little foundry and coke. In the last ten years we have bought semifinished steel from the Ashland Steel Company, the Portsmouth Steel, the Republic Iron & Steel Company, the Carnegie Steel Company, the Youngstown Sheet and Tube Company, the Allegheny Steel, the West Penn Steel Company, the Cambria, LaBelle, Jones & Laughlin, Lackawanna, and Pittsburgh Steel Company. We buy on a competitive basis. It is competitive in a way. We know what the market is. We are not tied up to anybody. We buy outright and buy wherever we can buy the cheapest. There is a variation between the price as quoted at any particular time by the different manufacturers. It has always been so. There is competition in these products. It has always been so as far as I know.

The manager, since 1907, of a factory using various steel products, hoops, bands, angles, channels, sheets, wire goods, etc., which they bought from numerous companies, including the Carnegie Steel Company, shows that the competition and price ranges have been greater in steel than in other metal products. In substance, he says (vol. 20, p. 8190):

The bids have not been uniform. On the contrary, they have varied. Since we commenced buying in 1907 there was nothing in the bids or offers or the transactions between us and the sellers that indicated any combination or arrangement between the various producers or sellers of the different classes of steel products I have testified about to bring about a uniformity of price. The varia-

407 tions in the prices of steel, as a rule, were greater than the variations in the prices quoted for us in copper, ingot copper, scrap copper, pig iron, scrap iron, tin, pig lead, antimony.

The president of one of the large hardware jobbing concerns in the country, buying large quantities of sheets and plates from several companies, including the Steel Corporation's subsidiaries, in substance, says (vol. 20, p. 8229):

During the last ten years there seems to be a great deal of competition in sheets. There has not been so much in the sale of tin plate, of course, as in sheets, because there are not so many in the business. With regard to sheets the competition has manifested itself by a sharp solicitation of our business, and we could always get very low prices from what we might term the independents. The quotations on sheets during the last ten years have been variant. Anywhere from one to three dollars a ton. The quotations on tin plate have caried. The quotations on tubular goods are about the same as sheets, only not so much so. The competition in the sale of tubular goods has been keen among the different manufacturers.

Without quoting him at length, we may say the purchasing agent of one of the great eastern railway systems (vol. 21, p. 8568) shows that all the varied steel requirements of the road from a great terminal building to the spikes (with the exception of rail purchases which were made by the president) were wholly in his control, and that there were constant variations in price and active competition for the railroad's purchases in all lines.

The purchasing agent for a western system (vol. 22, p. 9071) shows the same course of virile competition for its purchases.

408 A large jobber in tin plate, building sheets, and other metals shows (vol. 22, p. 8943) that the jobbing trade is done on narrow margins and that active competition is vital. His purchases during the last ten years were from different concerns, including the American Sheet & Tin Plate Company. He says, in substance:

There was, so far as I have seen, during the last ten years, competition. There has been competition in these products which I have purchased between manufacturers. It has been of a very active character. They change their price quotations very frequent. It has been so during the whole period of ten years I spoke of. Sometimes a given concern would be higher and sometimes a given concern would be lower. Our purchases have been based upon the lower quotations. The competition in our jobbing trade has been very keen. The margin is very small. That necesitates our buying as close as possible. At the lowest quotation absolutely. We have done that. That explains our buying sometimes from one and sometimes from the other. That has been the case during the whole ten years.

Another jobber testifies (vol. 21, p. 8979) as to competitive conditions in wire during the last ten years. His purchases included the American Steel & Wire and competing companies. He says, in substance:

There have been instances where the quotations we get from these concerns have agreed, but very rare; as a rule they vary what would be termed appreciably, oftentimes to the extent of 50c to $3.00 a ton.

I never recall a time when two quotations continued for any length of time to be the same. I am speaking now of the whole period of ten years. I never observed anything to indicate a combina-
409 tion between these manufacturers on prices. There was always competition. They had inducements of some kind to offer in the way of price or delivery.

We have carefully and patiently studied the voluminous testimony bearing on the general course of all branches of the steel trade covering the whole time the Steel Corporation has been engaged in such trade. The testimony, as noted above, runs from volume 18 to volume 28, inclusive. It covers proofs by its manufacturing competitors in all branches, and also the different classes of customers whose trade it and its fellow competitors seek. It is apparent that among this latter class—that is, the consumers of its products—we would naturally find evidence of any throttling of competition or any undue restraint of the steel trade. The typical extracts we have made above from varied sorts of buyers of varied sorts of product cover wide ranges of consumers. No one can read these volumes of testimony and fail to be satisfied that this great body of business men, scattered over all parts of the country in keep competition with each other in their several lines, is alert in seeing that competitive conditions exist between the manufacturers of basic steel products from whom they buy. And the sworn testimony of these men, who are vitally interested in the maintenance of real competition between the Steel Corporation and its manufacturing competitors that such real competition does exist and has existed during the past ten years, cannot but carry a conviction that such is the case. A study of the testimony of these men, who are close to and vitally interested observers of the prices of these products, shows that a single large concern, by lowering the price of any substantial steel product it sells, can depress the obtainable price. It further shows that the
410 converse is not the case—that no single large concern, by raising or even maintaining the price of any substantial steel product, can raise the obtainable price. It further shows that the prices at which actual sales were made during this time in the steel trade depend on whether the consumption of steel was such that the mills were crowded with orders from buyers, or whether buyers were crowded with offers from mills. In other words, if the mills were crowded with orders there was a keen increase of competition between buyers and a corresponding decrease in competition between manufacturers. On the other hand, if the mills were lacking in orders, then there was a keen competition between mill men to get orders and corresponding decrease in competition among buyers to give them. The proofs further show that when there is an increase of orders and a stiffening of prices, steel buyers are apt to buy at once, and this tends to further increase the price, but on the other hand, buyers are not apt (vol. 28, p. 11901) to buy at once when the price grows less, but wait until the bottom is reached, and this withholding of orders tends to accentuate the fall of prices. The proofs

further show that in normal times, when ability to fill orders and ability to get orders are in fair balance, prices vary but little, but as soon as that balance is disturbed the tendency of prices up or down becomes accentuated and increased competition follows—between the mills if prices go down, between buyers if they go up. The study of these proofs given by both mill owners and buyers of their product—satisfy us that this has been and is the course of the steel trade, and we are therefore justified from the proofs in concluding that the prices at which steel products have been bought from the Steel
411 Company and its competitors have been fixed by business conditions—overdemand or oversupply. The proofs also show (vol. 26, p. 11096) the same conditions and results prevail in the European steel market.

Assuming, then, that the iron and steel trade in the United States is and has been, during the time here in question, flowing in the natural and normal channel of demand and supply and of genuine competition, we next inquire as to what course the proofs show the Steel Company pursues in reference to such trade; in other words, is its course one of monopoly or in restraint of trade? Let us first ascertain what the practice of the Steel Corporation actually was and is as to prices. Whether that course be right or wrong; whether it be in violation of the letter or spirit of the Sherman law there can be no uncertainty in three things: First, what its policy is; second, of its having been openly and publicly avowed; and, lastly, of its having been followed. Its avowed general practice in regard to prices is thus summarized (vol. 12, p. 4771) by its chairman, Judge Gary, who says:

"The United States Steel Corporation has endeavored, so far as it could, to prevent the unreasonable increase of prices. It has been a decided factor from time to time in keeping prices down to a level which was believed to be fair and just. Prices generally are controlled very much by the business conditions of the country. The ordinary laws of trade and supply and demand fix the general prices of commodities, but the Steel Corporation has endeavored to prevent sudden and violent fluctuations downward by its advice, but more particularly by its own action in fixing its prices, and has endeavored to prevent the unreasonable increase in prices at times when the demand was greater than the supply, and
412 there was a general disposition in the trade to take advantage of these conditions and unduly increase prices."

That it has followed this policy is the testimony of both its competitors and customers. Thus a manufacturer of agricultural implements, buying bars and plates, both in Bessemer and open hearth (vol. 20, p. 83114), says: "Our experience has been that on advancing markets the Carnegie were as low and frequently lower than competitors, while on declining markets they were generally a little higher."

Another manufacturer, a buyer of structural shapes and other products (vol. 24, p. 9963), testifies that when prices are advancing

the Carnegie Company is the last one to advance and when they are declining it is the last one to decline; that this course has an absolute effect in steadying the market and that every manufacturer buying plain material and fabricating it, and being himself a bidder on work, prefers a steady market.

The president of the largest chain factory in the country (vol. 21, p. 8763) and who was a large buyer of rods and bars testified that in his judgment the American Steel & Wire Company has in several instances of boom times prevented a runaway market; that many times manufacturers in that line have told him that if it were not for the American Steel & Wire Company the prices would advance, but that they could not get them to advance their prices.

A very considerable southern hardware man (vol. 25, p. 10373) testified that in dull times the Steel Company's prices were higher than its competitors and that it did not go to the low quotations its competitors did; that this had an effect in steadying prices; that this is a benefit to buyers, in that it removes the speculative feature.

413 Another large southern hardware dealer (vol. 25, p. 10720) and other buyers (vol. 23, p. 9183) testify to the same effect. The testimony of competitors is to the same effect. Thus James A. Bowron, one of the leading southern manufacturers (vol. 25, p. 10427), testifies that they always knew what the prices of the Steel Company were; that they did not say their price was one thing and make it another; that their course was eminently conservative and the principal barrier against chaos. He testified that the Steel Company had stood in its own light in refusing to advance prices when, in his judgment, the market justified advances. He adds, "I think if I had been a stockholder in the Steel Corporation I would have felt several times that it was failing to earn the money for me that it ought to have done by advancing prices." The fact of such policy and the reasons for it are thus summarized by Charles M. Schwab (vol. 11, p. 4157–8):

"While I was president of the Steel Corporation I should say that our prices as a rule were somewhat above the other prices in depressed times and below the other prices in prosperous times. In other words, we endeavored to keep more uniform. * * * The theory was that many smaller dealers bought their steel from this corporation, that we did not want them to be speculators, nor did they want to be speculators, as it were, in the price of steel; that as a rule they were caught with big stocks when prices were high, and made heavy losses by reason of rapid reductions and the inclination to overbuy when prices were low; and if prices were kept nearly uniform people buying steel would buy for their requirements and not speculatively."

414 The proofs also show—of which vol. 26, pp. 11095; 11074; 11248; 10928; and may be cited as examples—that this policy, which is also followed by other large steel manufacturers, largely resulted in doing away with what are called delivery premiums; that is, of postponing deliveries of orders already taken at lower prices

and giving the preference to orders taken later at higher prices, which higher prices were in effect obtained under the guise of so-called delivery premiums. The proofs likewise show that the lessening of extremes in the prices of basic steel products greatly benefits mills and factories that further fabricate such articles. Thus (vol. 21, p. 8817) one such witness testified:

"Of course, I am only a small manufacturer and perhaps to a certain extent typical of the average small consumer of steel products, but the conditions in the present decade are far more stable and far more favorable to intelligent manufacturing than they were in the previous period. Of course, the fluctuations have been less, and you can calculate on your road which you have to go over with a good deal more certainty. * * * The sudden fluctuations, rising and falling in prices, were very unfavorable to the maintenance of contracts, or to intelligent manufacturing. One could not buy and be sure that he could get out with a profit on account of the dips in the market."

The proofs show that the practical effects of this policy are that in prosperous times buyers are apt to buy from the Steel Corporation and in depressed times from its competitors. Whatever the wisdom or unwisdom of such a policy may be, we find no proof
415 tending to show that it tends to monopolize the steel business or to unduly restrain trade, or to prejudice the public. There is no proof that it in any way interferes with the right of any other person in the steel business to fix his own price on his own steel product. The proof shows that the Steel Corporation in the exercise of its own business judgment has elected to publicly announce its prices, to adhere to them with all buyers alike, and to give timely notice of its purpose to change them. It is neither the duty nor the province of this court to express any opinion upon such policy unless we are satisfied, as laid down by the Supreme Court, "that it prejudices the public by unduly restricting competition or unduly obstructing the course of trade," and of this we have no proof. For, as we have seen, the testimony of those engaged in the steel trade is that this policy of the Steel Corporation in refusing to raise prices has not restricted competition or obstructed the course of trade, but, on the contrary, has tended to prevent prices from rising to what was aptly termed a "run-away market." And in this connection it is just to note that if the Steel Corporation in refusing to advance its own prices prevented other manufacturers from advancing theirs, it was only exercising a veto power (vol. 8, p. 3199; vol. 6, p. 2144), which every one of many other competitors possessed, and was following a policy which was also followed by other large competitors (vol. 6, p. 2108), who were also opposed to advancing prices. It is also just to say that in giving publicity to its prices, in adhering to them, and in giving timely notice of its purpose to change them, it will be seen on reflection that the Steel Corporation has adopted a policy of price publicity and adherence, somewhat analogous to the freight-rate stability
416 followed by the railroads under the directions of the Inter-

state Commerce Commission, which publish their rates and only change them on notice.

We now turn to the other phases of this policy, viz, the corporation refusing to sell at lower prices when prices dropped. That it did so, and that by reason thereof it lost business, which naturally went to those who did lower their prices, the proofs abundantly show. Of its right to refuse to sell at lower prices, provided it does not force others to do the same thing, there can be no question. This brings us to the question, what was the policy of the steel trade prior to 1901 under such conditions, what was its result, and what evils are avoided by this change of policy?

In that regard the testimony leaves no doubt. We take the Carnegie Steel Company's course in the earlier steel period as illustrative, not only of its policy but as fairly typifying that of its competitors as well. The cause of falling steel prices is, of course, that there are not enough orders to cover the production, and this leaves two courses open to the steel manufacturer, he must either shut down his mill or go after orders to keep it running. The policy of the Carnegie Company—and in that respect it was the same as others—was to try to keep the mills going no matter what price they got for their product or no matter whether their getting such orders meant the complete stoppage of their competitors' mills. Practically applied this policy meant a fierce, ruthless price-cutting trade war, the practical results of which were that if these low prices enabled one company's mills to get the orders to run its mills, the taking of these orders from other companies' mills and other sections of the country shut them down. Thus, in Gov. Ex. (vol. 11, p. 4279)
we find a letter from Mr. Carnegie to the Carnegie Steel
417 Company, embodied in its minutes, reciting such policy. "In the former depressions we announced our policy, viz, take all orders going and run full. Our competitors believed we meant what we said, and this no doubt operated to clear the field. One after another dropped out; finally Pennsylvania Steel dropped out, and only a few remained who could meet the lowest price." In vol. 11, p. 4266, another letter of Mr. Carnegie to his company is given in evidence in which he says: "My view is that sooner or later Harrisburg (Pennsylvania Steel Company), Sparrows Point (Maryland Steel Company), and Scranton (predecessor of Lackawanna Steel Company) will cease to make rails like Bethlehem (Bethlehem Steel Company). The autumn of last year seemed as good a time to force them out of business as any other. It did not prove so. The boom came and cost us a great deal of money."

The policy of taking orders, even without profit, was the destructive competition of that era. "To keep running" (Gov't Ex., vol 3, p. 1036), "not to make profit, is the point we should steer to," was the direction to the Carnegie Steel Company. "Take every order, otherwise we come to a stop and only feed competitors who would close if we went to rock prices." Such being the policy, the proofs leave no doubt as to its effect. Mr. Schwab (vol. 11, p. 4191) testi-

fied that the destruction of the small and weak (competitors) was a practice not unknown in the old days. It was rather extensively carried on. It was at times with quite effective and marked result. That he did not know what percentage of them emerged from the steel wars in the old days. Not many. There were more gravestones than live competitors; that (p. 4155) they did every-
418 thing they could to secure all the business they could secure, regardless of the price at which they secured it; that it was pretty hard on the competitors at times, but that was their policy, and one that it was very difficult to break away from.

Speaking of that policy, Judge Reed (vol. 14, p. 5671) says: "The policy of the Carnegie Company was to go and get business, to take it wherever it could get it, and keep its mills running full, and run regardless of the feelings or prosperity of its competitors."

The result of the rail-cutting prices, as testified to by Walter Scranton, of the Scranton Iron & Steel Company (vol. 8, p. 3200), was that the price of rails was forced down to $14.00 a ton; that this was below the cost of manufacture; that as a result of this war his company was driven to abandon their mills at Scranton; and that wages were forced down to the lowest they had been for years. And as a practical example of this era of trade-war competition and ruinous price cutting we have the testimony of Frank S. Witherbee, who, referring to the Troy Steel & Iron Company (vol. 18, p. 7296), says: "The Carnegie Steel Company drove that company out of business; it drove it out of existence, not by the use of the ores—I think the cost of pig iron was lower at Troy than it was at Pittsburgh—it drove it out of the business by its policy of going to our customers and telling them to get the best price they could from us and they would name fifty cents a ton lower."

Referring to one of these ruinous trade wars between two large steel companies, Powell Stackhouse, president of the Cambria Steel Company, which was not one of the participants, testified (vol 4, p. 1706):

419 "Q. How nearly can you fix the time of what you call the Gates and Carnegie row?

"A. That was somewhere in the nineties; the latter part of the nineties.

"Q. About 1897, or somewhere along there?

"A. Somewhere along there; from 1895. I would not be sure of that.

"Q. And that was followed, I judge, from what you say, by rather a fierce trade war lasting a year or two?

"A. Yes; in all lines of steel.

"Q. In all lines of steel?

"A. Yes; everything. As the result of that there was the keenest competition, and steel was sold, bar steel, at, I think, less than nine-tenths of a cent.

"Q. And it cost more than that to make it?

"A. Yes; a good bit more.

"Q. And the consequence of this was very serious to the trade, was it not?

"A. It was serious to everybody in the trade. It was very serious, for instance, to the warehouse men that had some thousand or more tons of steel, or whatever they might have on hand. Their stocks were probably reduced from one to two cents a pound way down.

"Q. That warfare left a trail of ruin?

"A. Yes; it did.

"Q. And there were a great many failures on account of it?

"A. Yes.

"Q. And general business disaster?

"A. General depression.

"Q. And business disaster?

"A. Yes, sir.

420 "Q. And failure and bankruptcy?——

"A. Yes, sir.

"Q. (Continuing.) Were the direct effects of it, were they not?

"A. Yes.

"Q. You had had trade wars before, I suppose, had you not?

"A. Yes.

"Q. But none so severe as that?

"A. None so severe as that.

"Q. But they were always attended with injury to the business, and especially to the warehousemen or middlemen, were they not?

"A. Yes, sir. The middleman had bought and had his material on hand and, overnight, by the price falling a few dollars a ton——

"Q. (Interposing.) He was ruined?

"A. He was ruined in some cases. Some of them carried very large stocks.

"Q. The effect, I suppose, of such warfare, and particularly the Gates and Carnegie warfares, was felt mostly by the weaker concerns in the business?

"A. We all felt it.

"Q. You all felt it, but the stronger ones weathered it?

"A. Certainly.

"Q. And the weaker ones all went to the wall?

"A. They were weakened so that they gradually dropped out.

"Q. They gradually dropped out?

"A. Yes, sir.

"Q. So the effect of that was not confined to the manufacturers, but was felt even more by the warehousemen and jobbers, was it not?

421 "A. Yes. They could measure their loss at once. If they knew what their inventory was and the difference between what they paid and what prices had fallen to, they could measure their loss at once.

"Q. What about the retailers; what was the effect on them?

"A. The same thing. Anybody that carried a stock of steel or iron on hand, if the value of that stock was reduced five or ten dollars a ton, just simply had to write off that amount."

Indeed, the general competitive policies of the steel companies toward each other is well summarized—and this summary is justified by the proofs—by the chairman of the Steel Corporation, who (vol. 12, p. 4777) says:

"On the other hand, in older days, the rule in this country was different in this line of business. I have no doubt the suggestion of Mr. Carnegie, which was read in court a few days since, when I was present, represented not only his views, but the views of his associates and the views generally held amongst those who were in charge of the iron and steel industry of this country. There was a competition that was bitter, fierce, destructive. If it did not absolutely drive competitors out of business, it so harrased and injured them as to prevent them from extending their business or from taking advantage of their location, and at times compelled them to close their mills, discharge their employes, and disrupt their organization; and, in fact, was a competition that, in the opinion of those in charge of the United States Steel Corporation—I might say
422 the opinion of those in control of the industry generally in this country at the present time—was calculated to destroy, to injure, instead of build up; to prevent extensions of trade, to limit the capacity or the opportunity of many who were engaged in the trade."

In that connection, and in corroboration of what the chairman says, the testimony of others (Reed, vol. 14, p. 5692; Roberts, vol. 13, p. 4997; Farrel, vol. 10, p. 4058) should be noted. This is summarized by Robert Bacon, who (vol. 14, p. 5494) says:

"The facts are that the policy of the company from the beginning has been to change the old method of dealing with competitors. Judge Gary, who has done more for the United States Steel Corporation in its development and the benefits it has brought all hands than any one man since its formation, has made it a cardinal point of his policy, and has tried his best to inculcate it upon all the subcompanies, that there was a new order of things; that there were new rules of the game in dealing with competitors, as well as in other human relations. Judge Gary has talked from the very first and has tried to compel the actions of all the others in the corporation toward dealing fairly and decently with competitors as being the only way in which any kind of stability in prices or of conditions could be maintained. He has, from the beginning preached and practiced the fairest kind of dealing with his competitors, keeping them informed as far as he legitimately could, of all the conditions of the Steel Corporation, and by doing so has
423 gradually acquired a degree of confidence that in my opinion has never existed before amongst competitors. The old conditions have changed; the old destructive and ruinous and ruthless warfare of the early days of the iron and steel industry has disappeared,

and in its place, by reason of the attitude of Judge Gary more than anyone else, a condition has been produced among competitors in the iron and steel business and I believe in many other industries that never before existed."

And in that connection it should be noted that no testimony has been produced in this record that a return of the old trade-war system of ruinous competition would, as a matter of fact, benefit the public interests. On the contrary, the proof is that present business methods and ethics are more to be desired. As expressive of the view of those in the steel business who are not connected with the Steel Corporation we may note the testimony of the president of one of the largest steel castings company in the country, who (vol. 20, p. 8067) says:

"Before the formation of the Steel Corporation business ethics, I might say, were in very bad shape; competitors had no confidence in each other; they resorted to subterfuges, misrepresentations, and false statements. That same lack of confidence existed between sellers and many purchasing agents. It was a very undesirable condition in which to do business. For the past seven or ten years—in later times at any rate—all that misunderstanding or misgiving has been
424 displaced by mainly, straightforward dealing. I do not think it could have been brought about without the Steel Corporation's influence and example. The benefit of that example has extended into collateral industries like ours. I have noticed an improvement in the competition of our own business in an ethical way. We still have the competition, but we do not try to misrepresent or tell lies any more. We are honestly friends now. Then we pretended to be friends, but were the bitterest enemies. It appears to be an improvement that pervades the entire steel line; and being the largest unit, the most influential unit, and setting a commendable example, has led us to all realize that it is a betterment."

A study of these proofs satisfies us that apart from all ethical questions, the strong trend of the steel business at the close of the last century was toward driving competitors out of business by cutting prices, and that the business policy inaugurated by the Steel Corporation (vol. 14, p. 5670-3; vol. 13, p. 5218; vol. 12, p. 4777; vol. 14, p. 5717), and in which policy its competitors subsequently followed, has resulted, in the ten years of its existence, first, in a more general division of business between all competitors in the steel business than under the older system. Second, in tending to minimize the shutting down of its own and its competitors' plants in times of depression. Third, it has made steel products nonspeculative, and has therefore benefited all dependent iron and steel manufacturers by enabling them to have a steady, nonspeculative supply of those basic steel products on which their plants depend for operation. The evidence on which these conclusions are based is
425 corroborated by the business facts and business results in which we now summarize in the working out of this policy for

ten years by the Steel Corporation and its competitors. During that time the business of both competitors and the Steel Company has increased very largely, but it is highly suggestive, indeed conclusive proof, that the Steel Company had neither monopolistic control or power to restrain trade, since the proportion of trade increase was very materially greater on the part of the Steel Corporation's competitors than its own. These significant figures prove that mere size or bigness of business is not necessarily a monopoly of business at the expense of all others engaged in it. And in that connection, and as aptly expressive of our views, we may quote with approval the language of Judge Hook, of the eighth circuit, in his concurring opinion in the Standard Oil case, 173 Fed. Rep. 196:

"Success and magnitude of business, the rewards of fair and honorable endeavor, were not among the evils which threatened the public welfare and attracted the attention of Congress, but when they had been attained by wrongful and unlawful methods, and competition had been crippled or destroyed, the elements of monopoly are present."

In the most important element of steel rails, an item on which great stress has been laid, a most important factor of monopoly and control of prices, we find that, in spite of the general increase of rail production, the Steel Corporation's relative proportion of rail business has fallen off nearly eight per cent, while its competitors'
426 has increased correspondingly. In the great basic item of steel ingots, on which the great bulk of steel manufacturing rests, while the Steel Company's ingot business increased 44%, its competitors' ingot business grew nearly three times as fast, viz, 137%. To say that any monopoly of ingots existed when this bill was filed, that it now exists, or that it can exist, is simply to run counter to the testimony of ten years' business experience and to the evidence in this record. In the great item of structural shapes which enter into bridges, buildings, and other common uses, while the business of the Steel Company is these years increased nearly one-half, to be exact, 42.7%, its competitors have, during these years, gone ahead nearly four times as fast, 164.4%, and in that connection, it will be observed, as heretofore shown, that a large part of the increase of the Steel Company's structural product was in the foreign not in the home market, in which latter market it has more than three hundred fabricating competitors. Practically the same proportions exist in wire rods, the basis of wire fences and other articles of widespread use. In wire rods the Steel Corporation has increased its business 49.7%; its competitors 182.2%, nearly four times as fast. So also a monopoly of the tin-plate industry was feared, while the outcome shows the Steel Corporation has in tin plate and terne plate increased 63%, its competitors have increased threefold as fast, viz, 186%. So in the pipe industry. Instead of there being a monopolistic and exclusive growth, there has been a relative retrogression, for while the pipe business of the Steel Corporation has largely in-

creased—in wrought pipe 36% and in seamless tubes 100%—
427 its competitors have increased nearly six times as fast—in wrought pipe 209.9% and in seamless tubes over seven times as fast, 750%. In the item of pipe alone it has already been noted in the testimony of the general manager of a great gas company that, as a buyer of pipe, it enjoys active competition between thirteen concerns.

These facts and figures conclusively answer the charges of monopoly and restraint in the home market. We are, therefore, justified in answering in the negative the question to which the foregoing part of this opinion is addressed, namely, Was the United States Steel Corporation, at the time this bill was filed, then prejudicing the public interest by unduly obstructing the steel and iron business of the United States?

We turn next to the steel and iron trade with foreign nations, and address ourselves to the second question, namely, Was the United States Steel Corporation, at the time this bill was filed, then prejudicing the public interests by unduly restricting or unduly obstructing the steel and iron business with foreign nations?

In taking up that question, it is to be noted that the entire foreign business here in question is now carried on, not by the Steel Corporation, but by a subsidiary of the Federal Steel Company (vol. 10, p. 3775) called the United States Steel Products Company. This company was formed in 1903, and the Federal Steel Company is the owner of its stock. This Products Company is not made a party to this bill and there is no prayer for its dissolution. All other subsidiary companies of the Steel Corporation are made parties and their dissolution in many cases prayed for. Whether the omission of the Products Company from the bill, and the absence of any prayer for its dissolution, was an omission, or was advisedly done, with the purpose of conserving its foreign
428 trade, does not appear. But the absence of a formal prayer for the dissolution of the Products Company is, however, of no practical importance, for the continuance of such foreign trade of the Products Company is manifestly dependent on the manufacturing facilities, the product diversity, and the financial ability of the Steel Corporation. If, therefore, the Steel Corporation be dissolved by this court, the Products Company will be divested of the practical commercial power of continuing its foreign trade, since the proof is (vol 10, p. 3841–3879) that 80% of the goods it sells necessarily (vol. 6, p. 2215; vol. 12, p. 4731) comes from the Pittsburgh district, in which the Federal Company has but little production. On the other hand, if the Federal Company be also dissolved, then the Products Company will of course be left without any mills or plants which are so located (vol. 10, p. 3829) as to do export business, but 2% of the Federal Steel Company's product now going (vol. 10, p. 3829) into foreign trade. So that the foreign trade of the Products Company, if acquired and held in violation of the Sherman law, can be as effectually ended by a dissolution of the

Steel Corporation or the Federal Steel Company as though the Products Company had been made a party to this proceeding and its dissolution prayed for and decreed.

It is apparent that the monopolization and restraint of foreign trade must, in the nature of things, consist of either taking away from others a foreign trade which already existed, or, if such foreign trade was not in existence, then in building up or maintaining such foreign trade by preventing or restraining others from entering it.

Now foreign trade is not a mere general, theoretical ab-
429 straction of selling abroad, but is a concrete, definite, business proposition in iron and steel. We have our domestic trade which consists in supplying domestic use or consumption. And such domestic use necessitates one having or taking to the market where his customer is located the articles the latter wants to buy. It goes without saying that if one man has a wire mill at Pittsburgh, situate near another man's billet mill, and that billet mill has in its warehouse at all times an ample supply of billets to run the wire mill (the proofs (vol. 10, p. 3773) show eighteen different analyses of such billets are required), the wire-mill owner will prefer to deal with, and will deal with, the billet mill in Pittsburgh in preference to dealing with one at Chicago. And this is so, because freights are eliminated (vol. 10, p. 3987); uncertainties of railroad transportation are avoided; if materials prove faulty or not of the right metallic character (vol. 10, p. 3773), the mischief can be at once remedied. Of course, if the Chicago mill, from any motive, chooses either from overproduction, business needs, or other causes, to offer the wire mills at Pittsburgh billets at a lower price than the Pittsburgh mill, a sale might be made; but this occasional, abnormal purchase could and would result in no established, normal trade between the Chicago billet mill and the Pennsylvania wire mill. The only way such normal trade relation could be established would be by the Chicago manufacturer locating a permanent, stocked warehouse near the Pittsburgh wire mill. If its cost of production was so low and it could pay the freight from Chicago to Pennsylvania, and could furnish in quality, quantity, and price the same product as the Pittsburgh mill, then and then only could it hope to have normal, continuous trade with the Pittsburgh wire mill. We
430 take this homely but suggestive illustration to emphasize what proofs show are the demands and requirements in foreign iron and steel markets which confront an attempt to enter them, and that such market is not to be held by the mere occasional shipping of goods to foreign countries. Moreover, in considering the possible range of foreign iron and steel markets for American iron and steel, there must first be excluded from that market Germany, France, Austria, Italy, and Russia. The proof is (vol. 10, pp. 3846–7) that the tariffs of each of those countries prevent the sale there of American iron and steel. The proofs also show (vol. 10, pp. 3827–3849) that the attitude of the English public and the hos-

tility of English labor organizations toward American iron and steel likewise prevent American iron and steel products entering England, save wire fences, the manufacture of which is only now being taken up there. It follows, therefore, that the iron and steel trade of the United States with foreign nations must be largely built up in other parts of the world, and such has been the outcome of the efforts of this company, as shown by the proofs. Referring to trade in such nations as are not closed to the iron and steel business by their tariffs, these in a general way are the steel markets of Asia, Africa, the British Colonies, all South America, Cuba, and Mexico. But while these markets are open, they were, when the Steel Corporation was formed (vol. 10, p. 4125) "practically preempted by foreign manufacturers and foreign merchants; that is, principally continental concerns, English concerns, as well as having branch offices and warehouses in all of the consuming markets of the world. It was a very difficult thing to enter these markets. The
431 European manufacturers had been established in the markets of South America, Asia, Africa, and the Orient, some of them over fifty years. There was not only a prejudice, but a hostility in most cases against newcomers in the trade. In order to get a foothold in these markets, we usually had to sell below the prices of the concerns that were established there and who had their customers and native salesmen and all the advantages that go with a long occupation of a business in any foreign country. It is more the custom in foreign countries than it is here for people to attach to themselves customers that buy from them regularly." Moreover, the proofs (vol. 10, p. 3842) show, and such would seem to be the manifest commercial fact that, "It is impossible to develop a foreign business unless it is done continuously. Buyers will not patronize people who are not in a position to give them a continuous source of supply." Without entering upon a discussion of other matters, it suffices to say that not only were these foreign markets preempted and tenaciously held by foreign manufacturers, foreign merchants, and foreign bankers who refused to finance importing enterprises there unless there was (vol. 10, p. 3833) a stipulation that all materials should be bought in such bank's own country, but the markets require the maintenance of varied lines of products, the only way to supply which varied lines was by having varied lines of finishing mills at home and the maintenance of large warehouses (vol. 13, p. 4974; vol. 11, p. 4139) abroad. The proofs in the case show that in 1901, when the Steel Company was formed, with the exception of wire exportations—which for various reasons (vol. 10, p. 3792-3790-3791) was not broadly successful—there was no iron and steel trade of an established or continuous character be-
432 tween American iron and steel manufacturers and foreign nations. It is true there were spasmodic exports, which at times amounted to considerable volume, but they were not continuous or sustained and they resulted in no established trade or dealing. Indeed, in many cases the nature of this spasmodic trade (vol. 10, p. 3842) was such as to create a hostile feeling toward any subsequent

effort on the part of American iron and steel trade to enter the same foreign market. The proofs show that at that time and for many years previous, that so long as the demand of the home market was sufficient to absorb their product, our iron and steel manufacturers made no effort to sell their output abroad. When, however, the reverse was the case and they had on hand a surplus product for which there was no domestic trade, they went into the foreign market and tried to get rid of such surplus product there. The European and American steel and iron market being interrelated (vol. 28, p. 12013), the proof is that in addition to paying the freight to get his goods to the foreign market, the American manufacturer had, in order to get customers away from the foreign manufacturers who were already in possession of such trade, to cut the price when they sold in the foreign market. This spasmodic course grew to be known in the steel business as "dumping" (vol. 10, p. 3843, 3846, and 3993), and may be well likened to the bargain sales by which a merchant seeks to dispose of a surplus stock which he can not sell at normal prices. It will, of course, be obvious that a manufacturer could not continue such low-price dumping any more than a merchant could dispose of all of his stock—instead of his surplus
433 stock—at bargain prices. The proofs (vol. 26, p. 11096) show the same course of dumping abroad in times of depressed markets was followed by European steel manufacturers in our market. The then status of American steel manufacturers is shown by the proven experience of the Carnegie Steel Company. It was the most aggressive of any of the steel companies to enter foreign trade, exporting 70% of the then steel exports (vol. 11, p. 4345). The Carnegie Company's location, facilities, and freight rates enabled it better than most other companies to enter foreign trade, and, from its works, as the foreign trade of the Steel Corporation developed, such trade to the extent of (vol. 10, p. 3845) 24% of the entire product of the Carnegie Company goes into such export trade. It will therefore appear that the Carnegie Company can be fairly regarded as the best fitted of American steel companies to compete for export trade. Referring to that time, the president of that company (vol. 11, p. 4139) testified:

"We had made spasmodic attempts at it. In dull times, when business could not be secured at home, we would make attempts at foreign business by going in and making an unusual price, which was the only way that any foreign business could be secured then, inasmuch as we had not an established business or business connection, and, therefore, customers were not inclined to buy from a firm who could only furnish them occasionally."

The relation of the Carnegie Company to foreign trade is shown by its minutes, etc., as they appear in Government Exhibit (vol. 3, p. 1134). From the proofs in the case these things seem settled,
434 namely, that when the Steel Corporation was formed American steel manufacturers had no real, dependable, export trade abroad; that such sales as they made were spasmodic, made

with a view to dumping surplus product, and such sales were secured by underselling the European market when they had no home market. It will also appear that being excluded by the steel tariffs of Germany, France, Russia, Austria, and Italy, and by other causes from England, such dependable foreign markets as were open for them to build up, as will be seen later, had to be found in other parts of the world. This summary of the situation is warranted by the study of the proofs.[1]

435 Seeing, then, that when the Steel Corporation was formed no such volume of foreign trade in steel existed, that the acquisition of any part or, indeed, the whole of it could constitute a restraint of trade with other countries, and seeing that the foreign

[1] We may add that, wholly apart from the record, a reading by us of books, articles, and addresses on the subject of foreign trade satisfies us that the evidence of those who have in this record testified on the subject are in harmony with the views expressed in current literature of the steel trade. From that reading we have selected as expressive of the then attitude of the American steel trade toward the foreign market an article by James M. Swank (whose reports of statistics, Deft's Ex., vol. 3, p. 145, have been received by all parties to this record as reliable). In an article on The future of the American iron trade, in the Engineering Magazine of 1895, vol. 10, p. 613, Mr. Swank says:

"Except in periods of excitement like that which prevailed last summer our capacity for the production of iron and steel will be greater than the home demand. This fact, joined to the cheapening of all iron and steel products through competition, has led many of our manufacturers to look to foreign markets to absorb our surplus products or to employ our surplus capacity. An examination of our export statistics for many years shows that this is a delusive hope."

Mr. Swank then takes up our iron and steel exports for many years. He shows that during the fifteen years following 1870 there was no progress whatever. That during the next six years it increased rapidly, when a decline began, followed the next year by a slight increase. He called attention to the fact that included in our iron and steel exports have been a number of things, such as machinery, boilers, hardware, sewing machines, saws, tools, locomotives, etc., which formed the principal part of our iron and steel exports. That out of $31,000,000 in the aggregate of such exports, less than $400,000 was pig iron; that plates and sheets were less than $200,000; that nails only amounted to $300,000, and iron and steel rails about the same amount, ending with this statement: "The other products of our rolling mills and steel works forming an infinitesimal part." He then says:

"It is evident that our iron and steel manufacturers, as contradistinguished from the manufactures of machinery, hardware, saws, tools, sewing machines, locomotives and other finished articles, have little to hope for in foreign markets under present conditions or those which have recently prevailed."

The conclusion of his whole article is this:

"It follows from what has been said that American iron and steel manufacturers must look almost entirely to their own country for the employment of the productive capacity of their iron and steel works, and that if this capacity can not be properly utilized some of it, as in the past, must stand idle or be abandoned. The fittest works will survive. For these there will be sufficient employment."

trade which the Steel Corporation had during its earlier years has increased from approximately thirty-one millions to ninety-one millions, we turn to the next question, Did the Steel Company acquire this original or additional trade by monopolizing or restraining foreign trade, or attempting to do so; or, on the other hand, was its acquisition the natural and normal growth of fair business effort? We have said the foreign trade of the Steel Company in 1911 was $91,000,000, but of that amount some thirty millions is really not solely its own, but was shared by it with other American steel manufacturers. To explain, it will hereafter appear that in the development of a foreign steel trade the Steel Corporation has established agencies, warehouses, freight communications, and other exporting agencies in many of the markets of the world. As we read the testimony (vol. 11, pp. 4472, 4471) in reference to this thirty millions of foreign trade, it seems that if an American manufacturer of steel finished products, for example, locomotives, oil tanks, gas tanks, cars, etc., had an inquiry or desired to make a bid to furnish such goods in some foreign country, where such manufacturer did not have, but the Steel Corporation did have, a representative, the Steel Corporation would on request ascertain and report to the
436 American tank manufacturer what price he would have to put on his tanks, etc., to get into the desired foreign market. The ability of the tank maker to meet such foreign competitive price in the prospective buyer's market depended, amongst other things, on two items—the cost of the sheets from which his tank was made and the freight cost of delivering the tank. In case the current prices of such sheets in the American steel market were such that the tank maker could not sell his tank low enough to compete with the foreign bidder, the Steel Corporation would agree to furnish the plates at such lower price as would enable the tank maker to underbid his foreign competitor. This price reduction, coupled with the fact that the Steel Corporation would forward the tanks with its own freight, enabled the tank maker and the Steel Corporation to thus jointly sell the tank, which neither could do alone. By such operations, where it made the basic material but did not make the finished article, the Steel Corporation in 1911 thus did $30,000,000 in trade abroad in finished steel products in cooperation with other American manufacturers. The proofs show that this course of price reduction was followed in order to induce American manufacturers of finished steel products to cooperate with the Steel Corporation in extending the latter's foreign trade. The uncontradicted proof in that regard is that these foreign reduction prices, thus given to American manufacturers to enable them to compete in the foreign markets, were open (vol. 11, p. 4472) "to all comers: anybody that wanted to develop a foreign business received our assistance, not only in the way of special price, but we would lend him a salesman in a foreign country and place our office at his disposal and help
437 him in every way to build up a foreign business * * * (vol. 10, p. 3835). Our office is an encyclopædia for the manu-

facturers of the United States, particularly in iron and steel and those collateral lines. We have never hesitated to give information with regard to conditions in countries and the credits of people whom we may have been doing business with, and especially facilities and information generally with regard to tariffs in countries and railway facilities for internal distribution generally * * * (vol. 10, p. 3836). I had prepared under my direction a list, I think, of about 158 manufacturers to whom we have made speciall allowance in order to enable them to develop a foreign business." The proofs show (vol. 10, p. 3818) that this large volume of business, termed by the Steel Company "reexport" business, and amounting, as stated, to $30,000,000 in 1911, was shared in by 158 other firms or companies, and in making such reexport articles from fifteen to eighteen thousand men were employed. The proof is (vol. 10, p. 3885) that on ocean freights the Steel Corporation has no rebate or advantage over its competitors. It will be observed that in thus reducing the price of basic steel materials to enable manufacturers to enter the foreign markets the Steel Corporation has pursued the same helpful course of lower freights for exports which the Interstate Commerce Commission has since 1903 approved of the railroads doing. In that regard the proofs show (vol. 11, pp. 4474–5):

"If a shipment is made from Pittsburgh to New York under a bill of lading beginning and ending with Pittsburgh and New York, that where it is known that it is going to be exported the rate is less than when it is known it is going to stop in New York; the tariffs
438 are published * * *. There is an export rate and a domestic rate, and the Government has encouraged the export business to the extent of permitting the Interstate Commerce Commission to make export rates. The export rates have been in effect since 1903."

And we may add the proofs (vol. 10, p. 3833) show that the Interstate Commerce Commission has gone to the extent of differentiating among different articles for export, making freight on export rails lower than one other export articles. We may here say that the Interstate Commerce Commission and the railroads in thus cooperating with the Steel Corporation and these other manufacturers in allowing lower freights from interior points to the seaboard on goods intended for export has followed the policy adopted in European countries. In that regard the proofs (vol. 28, p. 12037) show, "The German Government and the German railroads help for the export of finished products, but they charge the full domestic rate for any finished product that is imported."

Passing on, then, from this $30,000,000 of the foreign trade, which the Steel Company has created for itself by inducing domestic consumers of its basic products to jointly enter into a foreign trade, and considering the other foreign trade, $60,000,000, which is its own, we examine the evidence as to whether the creation and building up of this, its own foreign trade, involves monopoly or restraint of trade.

This becomes all important, because the Steel Corporation's contention is that the creation and building up of a foreign steel and iron trade was one of the controlling reasons that led to its formation, and not a purpose to restrain or monopolize interstate home trade.

In that regard the contention of the Steel Corporation is that
439 no such foreign steel and iron trade could be built up without the large resources of the Steel Company (vol. 10, p. 3790–1), and the varied products which the integration and combination of its units alone made possible. The mere statement of this contention shows its importance, for if the two-fold purpose of this statute is to foster and protect trade, both foreign and interstate, and if foreign trade cannot be increased without some such mechanically varied and financially strong agency as this Steel Corporation, then manifestly such agency is not a violation of a statute whose purpose was to permit, not to prevent, the normal, natural, and to-be-desired development of unrestrained, unmonopolized trade, both foreign and domestic. In taking up this question we dismiss once and for all the question of mere volume or bigness of business. The question before us is not how much business was done, or how large the company that did it; the vital question is, How was the business, whether big or little, done; was it, in the test of the Supreme Court, done by prejudicing the public interests, by unduly restricting or unduly obstructing trade? The question is one of undue restriction or obstruction of trade, and not of undue volume of trade. If mere size were the test of monopoly and trade restraint, we have not one, but a half dozen unlawful monopolies in the large department stores of a single city. If a manufacturing and selling business, fully equipped for its local market, extends its operations to cover a State, its business, its facilities, its capital must grow larger. If it is to cover nations, it must be larger still. These plain facts simply buttress the holdings by courts that the normal and necessary expansion of business to any size is not forbidden by the Sherman law, unless such expansion is accompanied or accomplished by an
440 undue restraint or obstruction of trade. For, as said by Mr. Justice Day in Flint *v.* Stout, 220 U. S., 166:

"The possession of large assets is a business advantage of great value; it may give credit which will result in more economical business methods; it may give a standing which shall facilitate purchases; it may enable the corporation to enlarge the field of its activities and in many ways give it business standing and prestige."

Turning, then, to this foreign trade, we find that in 1901 the Steel Corporation did a foreign trade of $31,000,000 and in 1911 of $91,000,000. This (vol. 10, p. 3847) was 90% of the foreign iron and steel trade of the country. On the one hand, it is charged that this foreign trade was acquired by violation of the Sherman Act; on the other, that it is the normal and natural result of lawful business, commercial foresight, and persistent effort. To determine these contentions from the evidence we now address ourselves. Of the purpose of this corporation to create and possess this foreign

trade there can be no question. So that if it was illegally done the company cannot escape the legal consequences. Its avowed purpose to enter into and acquire foreign trade in iron and steel is shown by the corporation's own proofs. (Gary, vol. 12, p. 4733; Reed, vol. 14, pp. 5658, 5562, 5563; Bacon, vol. 14, p. 5476). Indeed, in outlining the plan and scope of the operations of the Steel Company, whose formation he was then advocating, its first president (Schwab, vol. 11, p. 4139) says:

"I enlarged and perhaps made a more strenuous talk to Mr.
441 Morgan upon the subject of export, and our ability to export, and foreign business in foreign markets, than any other, excepting only the economic advantages to be derived."

Indeed, that the Steel Corporation was largely formed, that its large financial resources were designed, and the varied lines of its constituent manufacturing units were bought to enable it to successfully enter foreign trade is shown by the proofs. Thus (vol. 11, p. 4321) referring to his talk with Mr. Morgan, Mr. Schwab says:

"I expected, naturally, to increase the foreign trade very much. May I explain what I mean by my development of foreign trade? I said before that this business could only be practically and successfully developed by works having a complete line of steel products, and that was one of the things to be gained by this organization.

"Q. And in taking this up with Mr. Morgan you presented that?

"A. That was one of the things I urged."

The fact that the development of the foreign trade necessitated a wide diversity of products; that this product diversity was to be obtained by the Federal Steel Company acquiring a number of mills making such diversity of products and completely integrating itself is shown by the proofs. Referring to carrying out the general plans which he and Mr. Morgan outlined for acquiring such properties Judge Gary (vol. 12, p. 4733) testified:

"Q. Now, what were the subjects considered by you gentlemen, directors of the Federal Company, or owners of the Federal, at
442 that time, and on account of which, or after considering which, you reached the resolution you mention?

"A. The question of securing the Carnegie properties, with their ore reserves, which contained a class and character of ore in large quantities which the Federal or the Minnesota Iron did not have, particularly their mills for diversified products, their location and their organization, which was believed to be a very good one, and if possible, the acquisition of other companies owning finishing mills, in order to diversify the product, including the Wire Company, which had been offered to us a number of times, and for the purpose, as I have said, of completing a rounded-out proposition, for the development of the business, extension of the business, manufacturing at lowest cost, and particularly increasing the extent of export business."

And that such foreign trade demanded such wide diversity of product as could only be supplied by a company which was broadly integrated to manufacture such diversified supplies is shown by the proofs. In that regard a witness of long experience in foreign trade (Farrell, vol. 10, p. 3790) says:

"Q. What is the nature of your customers in foreign countries? Do you sell merchants or directly to consumers, or both?

"A. We sell to merchants, consumers, and manufacturers.

"Q. Is there any advantage in selling to merchants to have a diversified line of products?

443 "A. A great advantage. That is the reason why we have been able to develop our business—because we could offer them a diversified line of products from one source.

"Q. From your knowledge of the business and of the way it is done, what would you say as to whether or not the different constituent members of the Steel Corporation could all together have developed such a foreign trade as has been developed by the corporation if they had remained separate and distinct?

"A. It would have been utterly impracticable or impossible. We had had an exemplification of that at the Pittsburgh Wire Company, where we were obliged to confine our exports to two or three different products because of the necessity of having facilities to deal with certain lines of business. * * *

"Q. Take, for instance, the American Steel & Wire Company, as an economic proposition, as a business proposition; will you state whether or not it would have been feasible or possible for the American Steel & Wire Company to maintain agencies in the various countries, as stated on Exhibit 39?

"A. It would have been impossible owing to the cost.

"Q. What would be the fact as to the Carnegie Steel Co. in all these countries?

"A. The same thing would apply to the Carnegie Steel Co. even to a greater extent because of the character of their product, which is not as widely consumed as wire products and sheet steel products, and some of those others, except in the case of some coarse products.

"Q. What influence, if any, does the offering of one class of steel products have on the sale of another?

444 "A. In the export market we say that one product sells another: that is, by having the great range of products, the buyer has an opportunity to order practically all of his requirements. Frequently these people will charter their own sailing vessels and load them themselves. They want to buy everything they can."

That this is a correct business estimate of the demands of the foreign market is corroborated by the testimony of the president of probably the most widely diversified range of finished steel products company in this country, who (Simmons, vol. 23, p. 9403) says:

"Q. In what way has your ability to carry on a foreign business been affected by the fact that you have a full line consisting of many kinds of edge tools and cutlery?

"A. Without that we would have practically no business abroad.

"Q. Why is that?

"A. Because no one line or one item in the line would be sufficient to interest the foreign buyers. It is the completeness of the line under one brand and one uniform quality that they seem to take an interest in.

"Q. That is, they buy full lines of you, do they?

"A. Yes, sir."

Of the fact that this policy of foreign trade expansion was as such entered into by the company, and has since been pursued, the proofs are full. (Roberts, vol. 13, p. 4969; vol. 11, pp. 4147–8.) A most experienced man of one of its constituent companies, the Amer-
445 ican Steel & Wire Company, and who had developed its foreign wire business, was given absolute charge of the development, along the lines previously advocated (Schwab, vol. 14, p. 4147; Farrell, vol. 10, pp. 3774–5), of all the export business. In 1903 the Products Company, a subsidiary of the Federal Steel Company, was created for that express purpose. A systematic plan was pursued of establishing foreign distributing warehouses and of building up new freight lines and shipping facilities. It will thus appear that whatever may be the legal consequences of the acquisition of this great volume of foreign trade, there can be no doubt of the fact that it was acquired by this company in pursuance of a well-understood purpose. The proofs also show that the diversified products of the Steel Corporation, the location of its plants for export manufacture; and its facilities generally are the means by which this trade has been supplied and built up. And they also disclose the fact that the different subsidiary finishing companies of the Steel Corporation were, among other things, chosen and acquired by that company with a view to developing the very foreign trade which has since been acquired. Such being the case, it logically follows that if the possession of this great volume of foreign trade is illegal as a monopoly or restraint of trade, the Steel Corporation, of which the Products Company is the mere agent, is also a violator of the Sherman law. Was then this foreign business acquired on the one hand through illegal methods by the Steel Corporation monopolizing or attempting to monopolize or to restrain foreign trade? Or was it, on the other hand, the result of lawful and fair means to expand and increase Ameri-
446 can foreign steel and iron trade without driving out those who were in such foreign steel trade, or without preventing those who wanted to enter it from doing so?

We have already seen that when the Steel Corporation entered this field there practically was no existing foreign steel trade held by American steel manufacturers. We have seen the opposition existing in such foreign markets to the building up of such trade by a newcomer; we have seen that the markets of practically all the principal nations of Europe were tariff closed to American steel, and that the spasmodic dumping policy theretofore pursued by American steel manufacturers had created (vol. 10, p. 4126–7) a prejudice against

American trade which had to be overcome. In that regard the proof by a witness whose long practical experience, broad grasp, and commercial success in building up a discredited foreign steel trade, gives weight to his evidence. It is (vol. 10, p. 3842):

"It is impossible to develop a foreign business unless it is done continuously. Buyers will not patronize people who are not in a position to give them a continuous source of supply. We had, in the early stages of the corporation, to live down the dumping business, which was quite prevalent with some of the companies prior to the formation of the Steel Corporation. * * * Prior to the formation of the United States Steel Corporation some manufacturers in this country at times, during depressions here, would ship large quantities of materials to markets, principally to producing markets such as Great Britain. The result was that prices were broken down and in many instances the material was never delivered, be-
447 cause the customers, after the prices had been disturbed, could buy material in their own country, and in some instances the customer has paid compensations to sellers to cancel the contract."[1]

He further says, in substance:

"Dumping is an uneconomic practice and one that does not develop a continuous business. It was a sporadic business and was indulged in owing to the exigency of manufacturing at the time. The export business of the corporation has been prosecuted continuously. It has been built up from 290,000 tons in 1903, I think, to 2,246,000 tons in 1912."

Speaking of the efforts of American steel manufacturers endeavoring from 1895 to 1901 to dump materials abroad, the same witness (vol. 12, p. 4629) says:

"They were endeavoring to dispose of large quantities of material and in doing so they dislocated those markets, and as a consequence of that the prices were greatly demoralized and the manufacturers in those markets not only met the prices made by the Carnegie Steel Company, but made lower prices; and the result was that thousands of tons of material were not delivered by the Carnegie Steel Company, and it was an actual fact that the buyers of their products paid them a compensation to let them out of the contracts after the market had been demoralized. The records of our office in London
448 show, and I have examined them myself at times when I have been over—I was interested in looking it up—show that over $100,000 was paid to the Carnegie Steel Company by buyers for cancelling contracts after they had thrown this material on the market there to shipbuilders and all sorts of people."

It took the Steel Company (Schwab, vol. 11, p. 4148) one or two years to get the foreign business started. It was necessary to estab-

[1] Indeed, the long time required to get foreign shipments of steel to their ultimate destination, and the changes in price meanwhile, makes even a regular, sustained, foreign steel business (vol. 10, p. 4126), a hazardous one.

lish and maintain a series of large warehouses all over the commercial world. Space forbids details, but the proof (Farrel, vol. 10, p. 3785; Defendant's Ex., vol. 2, pp. 179, 189) show that nearly three hundred places of business have been established in sixty different countries and in all parts of the world, and that great warehouses or distributing stations have been opened at strategic distributing steamship centers. Taking Belgium, for example, it was a great manufacturing country; it had a tariff and 90 per cent. of its manufactured product (vol. 10, pp. 3786-3849) was exported. Consequently there was no market for the Steel Company there, except street car rails. But notwithstanding there was practically no Belgian market for foreign steel, the Steel Company located a large warehouse at Antwerp in which it stored 10,000 tons of steel products, principally pipe. It was compelled to do this, because from Antwerp it was able to reach trading centers it could not reach direct from the United States. In that regard the proof is (vol. 10, p. 3786), "We have shipping opportunities at Antwerp that do not exist in this country. Antwerp is a great distributing point; a large number of sailing vessels go to ports in the world that are not reached by steamers." In the same way, while the Austrian tariff (vol. 10, p. 3847) shut the Steel Corporation
449 out of that country, it established a warehouse at Trieste, Austria, by reason of the fact that wire products and pipe can be trans-shipped at Trieste to ports on the Adriatic, Syria, and Mediterranean. In the same way, the Steel Company established a warehouse depot at Vancouver, British Columbia, through which it furnished (vol. 10, p. 3805) light rails for lumber camps, sheet iron, wire goods, and pipe. The building up of trade with British Columbia shows that the steel trade acquired there was not by the Steel Company restraining or monopolizing an existing foreign trade, but was by its creating a new and nonexistent foreign trade in the face of serious obstacles. To reach Vancouver, the Steel Corporation was confronted by a railroad freight rate from Pittsburgh to Vancouver of $18.00 per ton, while the English steel manufacturer could reach Vancouver on already established lines of steamers from Liverpool to Vancouver at $7.00 per ton (vol. 10, p. 3805). When his steel reached Vancouver the English manufacturer paid one-third less of the preferential Canadian tariff than the American manufacturer (vol. 10, p. 3799). The result of these adverse conditions was that after the Steel Company opened its warehouse at Vancouver it found (vol. 10, p. 3805) that it was impossible to do much business unless the Steel Company itself established a line of its own steamers from New York to Vancouver, through the Straits of Magellan. The Products Company itself accordingly started such a line, which is the only one from New York to Vancouver. It has four steamers of its own in service and two chartered vessels. These vessels call en route at many ports on the west coast of South America and Mexico, at some
450 ports which have no regular steamship line. In addition to carrying the products of the Steel Corporation, they (vol. 10, p. 3806) have "been carrying considerable quantities of ma-

terial for other manufacturers in this country who had been unable to develop a business because of the lack of facilities." In order to obtain return freight for their steamers the Products Company have to load them at Vancouver with lumber or coal for the Gulf of California (vol. 10, p. 3807); there they reload with copper matte for Dunkirk, France, and in France they take on chalk for New York. The whole triangular trip occupies from seven to eight months and shows the hitherto unused methods and the continuous, sustained effort that must be made to get and hold foreign trade. By like effort, trade suited to the varied needs of various countries has been built up. Thus (vol. 10, p. 3787), distributing warehouses have been established at Johannesburg, South Africa; at Sydney, Australia; in New South Wales; Copenhagen, Denmark; Barcelona, Spain; Singapore, Straits Settlement; Valparaiso; Callao; Buenos Ayres; Rio Janeiro; and other parts of the world to the number of forty. These warehouses (vol. 10, p. 3787) are stocked with light rails for mines, corrugated iron for building, tin plate, wire products, pipe, and pretty nearly everything the Steel Company makes, except railroad rails. The steel for South America is carried by shiploads in chartered vessels, the Products Company having under charter when this testimony was taken, in 1913, some thirty-five vessels carrying cargoes to all parts of the world. Permanent and extensive bureaus are maintained at London and at Paris (vol. 10, p. 3789, 3815), in order to sell from there to the English and French colonial possessions, buyers for which pos'sions gather at the two cities
451 named. The necessity for sustained, continuous effort is shown by the proofs (vol. 20, p. 7959). For example, the Products Company has a general steel trade in the Argentine Republic of six millions a year (vol. 10, p. 3794), consisting of wire products, sheet steel, tin plate, rails, structural material, street railway material, etc. Taking the item of structural steel, the proofs show the continuous means by which such trade is obtained and held. The company located a resident engineering force there, designed and built in Buenos Ayres the first steel structural building in South America (vol. 10, p. 3794), and as a result of the maintenance of such a permanent engineering force there, has built every steel structure in Buenos Ayres, and (p. 3795) "We have maintained a very large office there. We are building a number of Government buildings there; we built all the buildings of the Buenos Ayres Exposition; we built one for the Argentine Government and one for the United States Government for their exhibits there." The proofs (vol. 10, p. 3795) show that the products sold in the Argentine to make up this six million aggregate are produced by the following subsidiary companies of the Steel Company, namely, the Carnegie Steel Company, the American Sheet & Tin Plate Company, the American Steel & Wire Company, the National Tube Company, and the Lorain Steel Company, and (vol. 10, p. 3804) the American Bridge Company. It will be noted that these products with the exception of the Lorain

Steel Company practically come from the Pittsburgh district, and thus substantiate the proof (vol. 10, p. 3829) that the Federal Steel Company was driven to further expansion and integration in order to enter foreign trade.

452 A similar trade of diversified articles amounting to four millions (vol. 10, p. 3802) has been built up through agencies in four principal commercial centers in China, and a trade (vol. 10, p. 3812) of five millions in Cuba. As evidencing that the foreign trade was largely newly created, instead of taken from others, reference may be made (vol. 10, p. 3811) to the trade built up in Black Sea territory. The steel pipe and wire products from the American Sheet & Tin Plate, the American Steel & Wire, and the National Tube Companies were at first sent to Hamburg and there transshipped. The building up of that trade by the Steel Corporation has caused (vol. 11, p. 3811) the establishment of a direct line sailing every six weeks from New York to the Mediterranean, for which the Products Company furnished the nucleus of each cargo, viz, from three to five thousand tons, but which afford shipping facilities to American manufacturers of all kinds of product. In the same way a sustained trade of six millions a year (vol. 10, p. 3818) has been developed in Japan. This trade consists in pipe, railway material, structural bridge steel, light-gauged steel, tin plate, and street railway material, in all (vol. 10, p. 3819) to the extent of 25,000 tons per month. In addition to using the regular steamer lines, three or four vessels chartered by the Steel Corporation carried out entire cargoes each month from New York to Japan, of the varied products (p. 3818) of the Carnegie Steel Company, American Steel & Wire Company, American Bridge, American Sheet and Tin Plate, National Tube, and Lorain Steel Companies, respectively.

We have cited the above comparatively few foregoing proofs to illustrate the Steel Company's foreign trade is due to its own continuous and indefatigable efforts (vol. 10, p. 3844–6), to build

453 up this trade on legitimate, commercial lines, and not by trade restraint or monopoly at the expense of its competitors. It has been the creation of a new American foreign trade and not the monopolistic seizure of a preexisting American foreign trade. Space constrains us to go into the extent of territory and the varying character of that trade, the varied and individual requirements that had to be met in different markets, all of which show conclusively that the dumping, spasmodic foreign trade practices in vogue in the steel trade at the close of the last century were at variance with the building up of dependable foreign trade, and that with the Steel Corporation has come the substitution of reasonable, sound, and successful commercial practices in which and by which under the proofs in this record, a dependable foreign steel trade can alone be built up. All these proofs, facts, and results serve to justify our conclusion, which we find as a fact that this foreign trade of the Steel Corporation has not been gained by monopoly and is not a monopoly, that it does not and has not restrained trade, but, on the contrary, others

in the steel trade (Youngstown, vol. 19, p. 7708; Maryland, vol. 20, p. 7979) have been at the same time free to enter such foreign trade and have done so to the extent of their resources. From a business viewpoint the matter is well summed up by an experienced business man produced by the Government, who, speaking of the wire and nail business with which he has been familiar, and of the export business of the Steel Company, says (vol. 5, p. 2033):

"I would say that it is the magnificent organization of the export department of the Steel Corporation which accounts for their
454 success to a large extent. In every country in the world they meet the conditions; for instance, they have to have different gauges in different countries and different size kegs. In Japan there is a unit there which is different from elsewhere. Ours is a keg of 100 pounds, but theirs is a keg of 133 pounds. Now, to know how to reach all the different countries and supply the needs according to the circumstances and give them prices, and so on, in their own money, or it may be in English money—it is their wonderful organization that enables them to reach out as they do.

"Q. So the organization of the United States Steel Products Company, which handles the foreign business, is a very valuable thing for the steel trade of this country, is it not?

"A. Absolutely so. It is a wonderful organization."

Bearing on the systematic organization thus referred to, the proof (vol. 10, p. 3788) is, in substance, as follows:

The managers of these large offices in foreign countries are almost entirely Americans, and nearly all of them have been trained in our offices here. We have a civil-service system in our business, and our men are promoted from one office to another according to their aptitude for business in certain countries. One man might be a good business man in Brazil and might be a total failure in Australia.

As showing that this foreign trade has been built upon business executive effort, we may here refer to the facts later noted,
455 namely, the very material decrease in the cost of selling and the very material increase in the prices obtained. And in that connection, namely, the increase in price obtained for goods sold abroad and the decrease of price for goods sold in the United States, the proof (Defendant's Exhibit, vol. 2, p. 190), shows the important fact, namely, that this foreign trade has not been built up at the expense of the home market. Without entering into the details of that exhibit it suffices to say that some eighty steel or wire products are there listed, all of which have been sold at materially higher prices in the foreign than the same articles were being sold for in the home market. We find in that list such important and widely used articles as tin plate, structural steel, blooms, billets, and slabs, axles, and steel wheels, plates, bars, and hoops, T rails, pig iron, black and galvanized pipe, seamless tubes, horse shoes, wires of all kinds, nails and spikes, fences, bale ties, for all of which higher prices were charged and obtained in the foreign market than those

paid by the domestic consumer. In connection with that exhibit we note the testimony of W. E. Corey (vol. 9, p. 3042), who says that during the time he was president of the corporation:

"The Products Company had become so well established and had worked up such a line of customers and trade conditions in the world were such that at times as high prices were netted to the mills on foreign business as on domestic, and on some occasions were higher on certain contracts."

To the same effect is the testimony of James A. Farrell (vol. 10, p. 3853), who says:

456 "Q. According to this statement, Exhibit No. 43, the gross tonnage of the corporation increased between those years from 1,901,716 to 2,243,138 tons—that is, from 1904 to 1912—or 123.9 per cent?

"A. Yes, sir.

"Q. While the selling value increased 181.7 per cent?

"A. Yes, sir; 181.7.

"Q. Or an increase of the average per gross ton of 25.8 per cent?

"A. Yes.

"Q. What occasioned that increase in the average price per ton received by you on these export sales?

"A. Because of the fact that we were constantly selling a higher priced product; that is, we were selling the various commodities in highly finished lines, and fewer of the products in semifinished and coarser lines.

"Q. How was it that you were able to increase the value or improve the kind of product you were selling in that way? Was it because you were becoming established, or why?

"A. It was a natural development due to the fact that we had established offices all over the world, and because of the fact that our mills were getting into a state of preparation to do this diversified business.

"Q. In addition to selling the higher grade of goods, more finished articles, how do the prices upon these specific commodities compare per ton in 1904 and 1912, as a rule?

"A. They show an increase of about 25 per cent.

"Q. Then your increase was caused by that also—that you were able to get better prices on a specific product?

457 "A. Yes, sir.

"Q. Or many of the specific products?

"A. Yes.

"Q. That is all detailed, is it not, in defendant's Exhibit 42?

"A. It is.

"Q. Year by year?

"A. Yes; 1904 to 1912.

"Q. Inclusive?

"A. Yes.

"Q. This Exhibit 43 shows an increase in the domestic business in tonnage for 1904 to 1912 of 87 per cent, or from 5,818,149 tons to

10,877,544 tons, and an increase in the selling value of 65.2 per cent, or a decrease in the average per gross ton on shipments to the domestic market of 11.6 per cent.

"A. 11.6 per cent.

"Q. What was the occasion of that?

"A. Because of the fact that prices in the domestic department have constantly shown a decline. We are getting about $8 a ton less for materials in the domestic market than we were receiving in 1904.

"Q. You have stated that you are getting about $8 per ton less in the domestic maket than you did in 1901; that is, you did in 1911?

"A. Yes.

"Q. Has the price in the domestic market fluctuated in that time more or less in different years?

"A. More or less, but it has gradually shown a lower return."

In this matter we have not overlooked Government Ex. No. 205 (vol. 4, p. 1644), which challenges some eleven articles of export. It will be observed, however, the exhibit itself concedes
458 that the prices include "in the majority of cases the freight and insurance to destination." As we have no facts and figures as to the separate items of such "c. i. f." exports, we have no proof warranting our excepting them from the conclusions stated above, namely, that higher prices have usually been obtained in the foreign market than have been charged in the domestic.

It will thus be seen that the significant factor in the view of the experienced witness quoted above (vol. 5, p. 2033) is in the Products Company ascertaining, meeting, and supplying the individual need of individual foreign markets. And as emphasizing his illustration of a different nail-keg unit in Japan, as the basis of doing business, it might be added that to gain a foothold in the trade of India another unit was demanded. For the proofs show (vol. 10, p. 3792) that in India the keg unit does not prevail at all; that there the nail unit is a seven-pound package of nails in paper packages, which are put up in such packages at the nail mill at Allentown, Pennsylvania, a seaboard plant which was acquired with the American Steel & Wire Company. In the same way the proofs show (vol. 10, p. 3792) the markets of Australia demand an oval nail, while in Java a round one is required. Indeed, the absolute necessity of making different goods for the foreign markets from those made for home trade is illustrated by the proofs of the large expense necessarily incurred to meet these local foreign requirements. Thus the evidence (vol. 10, p. 3881) is: "The first rail order we executed at the Tennessee Works was for the Argentine Government; for the Chumbicha Railway. We expended on the rolls, in preparing the rolls for that
459 order, something like $74,000. That was for the first order," and (vol. 10, p. 3844) "after the corporation acquired the American Steel & Wire Company they expended $800,000 on the Allentown mill in order to diversify its products and increase its opportunity to do a wider range of foreign business than it was doing at the time." A patient study of the proofs of actual business facts,

difficulties, and efforts shown in the testimony of experienced business men lead us to these conclusions: First, that the foreign business in steel and iron done by the Steel Corporation has increased (vol. 10, p. 3843) from 290,000 tons in 1903 to about 2,250,000 tons in 1912, and in value from $31,000,000 in 1904 to $91,000,000 in 1913 (vol. 10, p. 3783); second, that the Steel Corporation normally does from eighty to ninety per cent of the foreign iron and steel business of the United States (vol. 10, p. 3897); that its exports of $91,000,000 in 1913 includes $30,000,000 of "reexport" business, so called, which it does in connection with other American manufacturers using its basic products; that the "reexport" business in connection with other companies (vol. 10, p. 3848) gave employment to from fifteen to eighteen thousand men, and the foreign business of the Steel Corporation to forty thousand men; third, that its competitors in the iron and steel business, with some few exceptions (vol. 19, p. 7709), do not seek to enter the foreign market so long as they can get a market at home (vol. 10, pp. 3845, 3847, 3897; vol. 20, p. 7980; vol. 28, p. 12039), and what foreign steel business there was prior to 1901 had been small and generally not profitable and was done at from 7% to 11% expense on invoice. (Farrell, vol. 10, p. 3791; Gov't Ex., vol. 3, p. 1133; Painter, vol. 5, p. 1974; Stevenson, vol. 3, p.
460 1093; Benner, vol. 6, p. 2499; in connection with Farrell, vol. 12, p. 4628; Gary, vol. 12, p. 4758; Deft. Ex., vol. 9, p. 731.)

Fourth. That the success of the Steel Company in building up this continuous foreign trade primarily consisted in its mechanical ability to make the wide range and variety of product required by foreign markets, and in its manufacture of such diversified products at plants properly located for export trade (vol. 10, p. 3790, 3843, 3844, 4128; and vol. 11, p. 4320; vol. 13, p. 5017; vol. 23, p. 9403; vol. 20, pp. 7978, 7979). In that connection reference might be made to the proof (vol. 10, p. 4128) as showing how essential to the maintenance of foreign trade is the diversity of product which comes from broad integration (vol. 10, p. 4128):

"Q. Can a manufacturer having a large line of products for sale afford to maintain such warehouses and conduct that business when a person manufacturing only one line of goods could not afford to do it?

"A. It was tried by the National Tube Company before the formation of the Steel Corporation. They established a large warehouse at Johannesburg, South Africa, and were obliged to abandon it for two reasons, one because of the cost of doing business. It cost them over eight per cent to do the business, because they had one line of goods to sell only."

Fifth. In gradually reducing its own overhead cost of foreign selling (vol. 10, p. 3791), from about 3½% in 1901, to .8% in 1911.

Sixth. In gradualy increasing the price of such of its product as was sold in the foreign market from 1901, when the trade had
461 gotten under way, to 1912, while it was at the same time gradually decreasing the price of such of its product as was sold

to consumers in the home market (vol. 10, pp. 3853–4–5). These relative changes are shown by defendant's exhibit, vol. 2, p. 203, as follows: In 1904, the Steel Corporation sold such of its product as it exported at an average price of $27.22 per gross ton; by 1912 it was able to market them at $34.24. During the same period, it was in 1904, receiving for such of its product as was sold in the home market an average of $41.44 per gross ton; by 1912 this price was reduced to $36.53.

With these facts, figures, and results proved in this record, we are warranted in holding that the foreign trade of the Steel Corporation, its mode of building it up, and its retention when built up, are not contray to the Sherman law. To hold otherwise would be, practically and commercially, to enjoin the steel trade of the United States from using the business methods which are necessary in order to build up and maintain a dependable business abroad, and if the Sherman law were so construed, it would itself be a restraint of trade and unduly prejudice the public by restraining foreign trade. Happily, it is open to no such charge, for, as the Supreme Court in the Standard Oil case said, "One of the fundamental purposes of the statute is to protect, not to destroy, rights or property."

Seeing, then, that the Steel Corporation, at the time this petition was filed, was engaged in the natural and normal conduct of business, both home and foreign, and that it was not then monopolizing, restraining, or attempting to monopolize or restrain trade in iron and steel between the States or with foreign nations, we
462 next turn to 1901, the year the corporation was formed, and address ourselves to the inquiry whether it was formed in order to so monopolize or restrain trade; or, to use the test fixed by the Supreme Court, Nash. v. United States, supra, was the Steel Company, when created, a combination which by its intent was meant to, or by the inherent nature of its contemplated acts would, "prejudice the public by unduly restricting competition or unduly restraining the course of trade?" Now, what is meant by the phrase, "the inherent nature of its contemplated acts," which violate the statute when an illegal combination is originally formed, and which continuing, because inherent, elements warrants its dissolution whenever questioned, is illustrated by what was found to be the fact in the Standard Oil case. There the court based its right and duty to dissolve the Standard Oil Company on the two facts that, first, the Standard Oil Company destroyed the "potentiality of competition," and, second, that it was "monopolization bringing about a perennial violation of the second section." And that there was in the Standard Oil Company of New Jersey a destruction of the power to compete—the potentiality of competittion—and a perennial, continuous, and perpetual violation of the law was shown, in the court's estimate (page 75), by the following state of facts:

"a. Because the unification of power and control over petroleum and its products, which was the inevitable result of the combining in the New Jersey corporation, by the increase of its stock and the

transfer to it of the stocks of so many other corporations, aggregating so vast a capital, gives rise, in and of itself, in the absence of countervailing circumstances, to say the least, to the prima facie presumption of intent and purpose to maintain the dominancy over the oil industry, not as a result of normal methods of industrial development, but by new means of combination which were resorted to in order that greater power might be added than would otherwise have arisen had normal methods been followed, the whole with the purpose of excluding others from the trade and thus centralizing in the combination a perpetual control of the movements of petroleum and its products in the channels of interstate commerce."

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At this point we deem it proper to specially note these vitally important terms used by the Supreme Court, viz, the destruction of "the potentiality of competition," and the "perennial violation" of the statute. For when it comes to the question of the dissolution of a combination, and that is the phase of this case we are now considering, a dissolution must be decreed whenever the inherent nature of its contemplated acts are such that from its very nature the combination was bound to destroy "the potentiality of competition," and these violations were, from its inherent nature, bound to be perennial. In other words, the Standard Oil Company had to be dissolved because its inherent nature was such that it was bound to destroy the power to compete in petroleum, and it would not be heard to say it had no intent to destroy competition when its inherent nature had made it do so. It therefore follows that if such destruction of the power of competition, and that by perennial violations, thus evidenced the original inherent illegal nature of the combination, it would seem that if a long series of years had not resulted—in a combination either destroying actual competition of others or of their power to compete—or had not resulted, in the long years of the combination's business, in constant perennial violations of law, it could not reasonably be held that the inherent, original nature of such combination was such as to make it unlawful when originally created and liable to dissolution whenever afterwards challenged. On the contrary, it would seem that the acts of a combination are fair tests of the real inherent nature of the combination, and that in such case the time-tried rule, "by their fruits ye shall know them," might well serve to best gauge the source or tree from or on which the fruit matured. But passing by this time-tried rule with its practical tests of what the Steel Company did in the ten years subsequent to its creation let us address ourselves to the proofs of what was done at or about the time the Steel Corporation was formed, and from those proofs alone determine whether the object of those forming it was to prejudice the public by unduly restricting competition or unduly obstructing the course of trade, or even if there was no such intent, was the inherent nature of the Steel Corporation's contemplated acts such as to prejudice the public

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by unduly restricting competition or unduly obstructing the course of trade.

A study of these proofs satisfies us that the United States Steel Corporation could not have been formed unless the minds of two men had previously united in a common purpose. Those two men were J. Pierpont Morgan and Andrew Carnegie. With them cooperated Charles M. Schwab, the president of the Carnegie Steel Company; Elbert H. Gary, president of the Federal Steel Company; and James H. Reed, the counsel of Mr. Carnegie and a director of the Carnegie Company, all of whom, except Mr. Carnegie, be-
465 came directors in the Steel Corporation. While the cooperation and participation of other persons and other companies subsequently aided and was necessary to the carrying out of the purposed formation of the Steel Company, yet, laying aside all mere incident and going to the crux of the case, it is clear from the proofs that the Carnegie Company held such a dominant relation to the steel and iron trade, and Mr. Morgan held such a dominant relation in finance, that unless Mr. Carnegie, who was the controlling shareholder of the Carnegie Company, and Mr. Morgan, through his relation to the finances of the country, and as a director of the Federal Company, could make possible a purchase of the Carnegie Company by the Federal Company, the United States Steel Corporation could not and would not have been formed. As Messrs. Schwab, Gary, and Reed all aided in bringing the two principals to an agreement, and as the result of such agreement was the formation of the Steel Company, we are justified in saying that if there was intent to violate the Sherman law, to be effected through the organization of the Steel Company, then such company was primarily the work of Messrs. Carnegie and Morgan, assisted, of course, by all those who participated in the furtherance of this primary purpose of bringing the principals together as directors of the Federal Steel Company in agreeing to a purchase of or in forming and taking part in the management of the Steel Corporation itself.

Considering the magnitude of what was done the mere sequence of events which resulted in the formation of the Steel Company had a directness, a simplicity, and a rapidity which is remarkable. On December 12, 1900, Charles M. Schwab made an address at a dinner given to him in New York in which, in substance, he gave a
466 clear statement of the steel business, showing that the metallurgical method of making steel and the physical methods of handling it were then fully developed, and he outlined his notions of wherein further advance was possible. His testimony as to his address is:

"I talked about the advantages that might be derived from doing a manufacturing business on a larger scale than had been attempted, and that we had undertaken in the manufacturing lines up to that time; all our endeavors up to that time had been to perfect methods of manufacture. By that I mean metallurgical and economical methods.

By economies I mean that I believed that we had then reached the limit, or very nearly so, at which economies from a metallurgical or mechanical standpoint could be made effective, and I believed that the next great step in economical manufacture was to so regulate the business and plants of the business in manufacturing on a larger scale than had ever been attempted heretofore; that instead, as was then the practice, of having one mill to make ten or twenty or fifty products, the greatest economy would result from having one mill make one product and make that product continuously. The history of manufacture has shown that any line that specializes in any direction obtains the best economical results, and I believed that the various lines of steel should be so specialized; that it was not possible for any one company then to do that at once; but I also believed that great economies would result from locating mills at the point of consumption, by which the cost of transporting the finished material to the point of consumption would in many
467 cases be reduced or saved. I also pointed out that I believed that great economic results would follow from our being able to manage these concerns in a manner that would stimulate the most effective effort in the management of the different concerns.

* * * * * * *

"I went on to say that one of the most effective things would be our ability, as I said before, to stimulate the various managements. Secondly or thirdly, I felt that the great export business of this country in iron and steel could only be done in that way. I felt, furthermore, that great economies would result in all these general items of expense which are met in the manufacture of iron and steel, on account of selling, traveling, office expenses, and all the general items that each individual concern with an individual line had to cover with a full organization. That could be covered by one such organization, and I felt that much economy would result in that direction, and indeed the whole line of my talk that evening was intended to show that the next great economic step to be made in the manufacture of steel, or indeed any business in general—I did not confine myself entirely to the steel business—directly to the steel business, but in general, that the great economic result to be next obtained in manufacture was by the adoption of these methods, and then I made that application generally to the steel industry. * * * I pointed out, for example, the attempt that had been made to manufacture steel cars, that a few companies throughout the
United States who were engaged in the manufacture of bridges
468 and other fabricated materials were attempting to manufacture steel cars; that that could never be successful; that the only way it could be successful was for some one works to devote itself exclusively to the manufacture of steel cars, and one kind of steel cars; that if different kinds of steel cars had to be made, like passenger cars, for example, as being different from freight cars, two separate works, as following out this general line of policy, would have to be built and so operated. I then pointed out, for example,

structural steels. In those days a structural mill would probably make six different sizes of beams and channels and angles; by my plan a mill would be built that would roll on angles exclusively and a mill would then be built that would roll on beams exclusively and that the finished material, and so forth, of these mills being adapted for that special thing would be better and cheaper.

* * * * * * *

"Well, Mr. Morgan listened with interest, and then asked me to sit down and talk with him a few minutes. The dinner was short, and we sat in a corner and talked for sometime at more length and with more amplification upon this subject."

Shortly afterwards Morgan sent for Schwab, who says:

"This whole subject was then gone into with much more detail, and the theories which I then advocated were amplified with reference to its application to the steel industry; and I pointed out at that interview to Mr. Morgan in great detail the economies and advantages that would result under those theories from their application to the steel industry.

469 "Q. Was there any suggestion then or discussion with regard to the advisability of a large corporation with facilities for manufacturing on all lines?

"A. There was; that was the chief discussion of the evening.

"Q. Can you go into that a little fuller?

* * * * * * *

"I told Mr. Morgan that if the steel industry of this country were to start anew, that if there were no steel plants here, what I should advocate and build up was such a plant as I have described heretofore; but that in view of the fact that the most of these things did exist, perhaps not in an ideal way or ideal location, that a new plant would be made possible, and that in view of the fact that they did exist, and that they could be made ultimately to conform to this theory, I believed that the then existing steel plants which I pointed out to him could be formed into one company, which would ultimately accomplish all the results which I had outlined. That was discussed at some length. The companies were mentioned that I thought would accomplish these results. They did not, by any means, embrace all the companies in the United States, but those which I thought would effectively make such an organization as was outlined.

"Q. Were they such as to cover all the branches of the industry?

"A. They were.

"Q. And what was your discussion with him with regard to the foreign situation?

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"With reference to the foreign situation, I pointed out to
470 him that up to that time our business, the steel business in general, had been nominal with reference to export business, and that, in my opinion, it could only be made profitable and possible by

such an organization; that no company selling an individual line, a single line, or one or two lines, could hope to successfully compete for foreign business where they were not prepared to furnish the customer every line that he might require for a structure or a business; and that half a dozen or a dozen individual companies could not afford the expense or the organization or secure the talent necessary to make a successful export business, while such a company as I outlined could.

* * * * * * *

"Q. Did you mention the facilities that such a corporation as you described would need to possess?

"A. I did; and I may say that I enlarged and perhaps made a more strenuous talk to Mr. Morgan upon the subject of export and our ability to export and foreign business in foreign markets than any other, excepting only the economic advantages to be derived.

* * * * * * *

"With reference to the ore, I pointed out to Mr. Morgan how advantageous it would be, for example, for one mine to mine all it could, regardless of what furnaces or products it was to go to, and have that ore then distributed by an expert between these hundred furnaces that would then operate, instead of five or six, by which the mine could run continuously and run at a given amount and under the most economical conditions, regardless of how the ore was to
471 be distributed; because when a firm owned five or six furnaces it was a question of how much of each kind of ore from each mine they could use, but when a firm owned one hundred furnaces, the question of distributing the ore from each individual mine to that furnace became a simple and effective one, and that that would be of great advantage from a mining point of view. The fact that one mine contained ore of a high percentage of phosphorus might make it possible in an individual concern to only run it half the year, while if the product from that mine was to be distributed to one hundred furnaces, the additional amount of high phosphorus would be so little as to be no disadvantage and therefore that mine could run continuously. With reference to the handling of the ore from the mines to the docks, in the days of individual ownership it was exceedingly difficult at the docks and on the railroad to keep the ores for the different firms and from the different mines separated and shipped as they desired to handle it upon their boats, whereas, with this large ownership of works, it was possible to ship the ore to the various docks as fast as it came down, without any of the expense from delay. The ships, instead of waiting at the docks until their special load of ore could come around and take the ore, they would come into port and depart ten hours later, instead of three or four days later, because the ore was always there ready to load on the ships. There is nothing in shipping that costs more than delay in discharge and loading, and therefore that very great

economy was accomplished at once. I think the records of the
472 ships will show to-day that a very small fraction of the time was consumed in handling the materials at terminals, as compared with what it was in times of individual ownership. So I went through from ore mines, railroads, and shipping, to the handling of material, right down to the finished material, which was the same thing as I have described before, with reference to individual efforts.

"Q. Did you or not speak of the advantage of a company owning its ore and its furnaces and its rolling mills and finishing mills?

* * * * * * *

"* * * I told him—I will put it that way—that up to 1892 there was a very strong feeling that manufacturing companies should not own ore; but that had then changed. The Carnegie Company was gradually acquiring ore wherever it could, and to my mind the successful manufacture was only possible where every single step in the line of manufacture was carried out by some one concern; and that for the greatest economy, for the greatest development of the business, it was an absolute necessity."

That the possibility and desirability of creating an American Company capable of acquiring foreign trade should have been especially dwelt upon by one so thoroughly conversant with the steel business will be quite apparent when the significance of the proofs as to the relative relation of the export trade of the great commercial European countries is considered. The export steel trade of England is (vol. 10, p. 3898), sixty-five per cent as contrasted with thirty-five per cent of home trade; Germany (vol. 10, p. 3898) sends
473 sixty per cent of her steel abroad, as against forty per cent consumed at home; Belgium (vol. 10, p. 3849) sends ninety per cent of her product abroad.

The outcome of this second talk was that—

"Mr. Morgan was very much interested and said to me that if I could secure a price from Mr. Carnegie that he would undertake the formation of such a company; that he would undertake the business; that is the way he said it." (Vol. 11, p. 4141.)

Within two or three days Mr. Schwab saw Mr. Carnegie, and while the latter declined to give any written option, he expressed himself as willing to sell. Certain figures, then jotted down by Mr. Schwab or Mr. Carnegie, were carried by the former to Mr. Morgan and were the basis on which Mr. Morgan proceeded in the formation of the Steel Company, although he had then no written agreement from Mr. Carnegie whatever. These facts are shown also by others (vol. 12, p. 4727). This situation continued until February 26, 1901, when Mr. Morgan obtained a formal letter from Mr. Carnegie through Judge James H. Reed. The latter's testimony (vol. 14, p. 5660) is:

"He (Mr. Morgan) told us in substance that he had just awakened to the fact that he was making contracts with stockholders of the Federal, the National, the National Tube, and so on, and he had not a scratch of the pen from Mr. Carnegie under which he could

hold him or his estate if he died. He said, 'You men go up the street as fast as you can and get me something.' We took the elevated and went up to Mr. Carnegie's house and explained what we were there for. Mr. Stetson and I, then, with occasional interruptions from Mr. Carnegie, dictated a letter to Mr. Morgan, or to J. P. Morgan & Company, which Mr. Carnegie signed and we took the original down with us to Mr. Morgan and he seemed quite relieved. * * * I don't think we left any (copy) with Mr. Carnegie."

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By such letter (Exhibit 80, vol. 3, p. 325), Deft't. Ex.) Mr. Carnegie agreed to sell his mortgage bonds and stock in the Carnegie Steel Company and agreed to receive in lieu thereof mortgage bonds of the United States Steel Company. The letter also provided that his sale was conditional on the Steel Company taking the holdings of the other shareholders in the Carnegie Steel Company at the same rate, but instead of paying them in bonds as he was, they were to be paid in stock of the new company. The testimony (vol. 14, p. 5656) shows that Mr. Carnegie was anxious to sell and retire from business. Indeed, several efforts had previously (vol. 14, p. 5474–5475–5513; vol. 11, p. 4132; vol. 12, p. 4722–4723–4725) been made to sell the Carnegie Company. On the consummation of the sale Mr. Carnegie took no stock in the new company and had no part in its management. While, of course, he knew what companies the Steel Company was absorbing and was keenly alive as to what properties his purchase money bonds would cover, and, indeed, in respect to one company, the National Steel Company, which occupied a midway position between Chicago and Pittsburgh, insisted (vol. 12, p. 4747) that it be taken in and his bonds cover their property, there is no proof whatever that he occupied any other relation than that of a seller of his stocks and bonds in his own company. Indeed, the dealings between the two men: the fact that they did not meet each other; their not even talking to each other about the plans, scope, and future of the new company; their allowing the intended sale to stand without any written evidence that it had been made; the inability or difficulty either of them would have had in its being carried out if either had died, conclusively show that the whole transaction between the two was that of a sale of Mr. Carnegie's personal holdings effected between them through the medium of third persons. We are therefore warranted in finding, as we do, that there is no evidence whatever to show that Mr. Carnegie united with any one to join in any violation of the Sherman Act, and that the statement in his answer filed in this case, to wit, "that his sole motive in agreeing to the sale of the property to the Carnegie Company to the United States Steel Corporation was his desire to retire from the hazards and responsibilities of active business, and that since said sale was concluded he has had no connection with the business of the purchasing corporation" is true, and a conclusion which is supported by the evidence hereafter quoted at length showing the reasons which led to Mr. Carnegie being willing to sell.

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We turn next to Mr. Morgan and such other persons as cooperated with him in forming the Steel Corporation and see what the proofs show. The vast size of the Steel Corporation they formed, the influence and control incident to such size, its seeming power to crush competition, its ability to absorb business through its systematized organization are all factors so associated with monopoly to restrain trade and crush out competition that we may say that standing alone as a mere isolated fact this great company gives one such an impression of monopoly that we feel we may in this inquiry place
476 the burden upon it and its formers to satisfy us by affirmative proof that monopoly was not the purpose for which it was formed but that it was the normal, regular, and natural outcome of the improvement in steel making and its concentrated powers were only such as were deemed to be necessary in successfully producing and marketing its product. To such inquiry and the proofs bearing thereon we now address ourselves.

The iron and steel trade of the United States has been a gradual, sustained evolution. So far as the metallic base is concerned, such evolution may be broadly stated to have been from iron to steel, from steel to Bessemer steel, from Bessemer to open hearth. It is interesting to note that the next development (vol. 10, p. 4068; vol. 26, p. 11066) bids fair to be from fuel smelting to electric smelting. These several stages of development have been accompanied by an abandonment and loss of equipment of great value (vol. 2, p. 4167; vol 2, p. 732; vol. 10, p. 3857 and 4077; vol. 13, p. 4963), and have necessitated vast further expenditures for new appliances to make the new open-hearth steel product. To illustrate, referring to a single one of the rapid evolutions in steel making, the removal of phosphurus in pig iron in the Bessemer or open-hearth processes by the substitution in the lining of lime for a silicon base. This simple chemical fact, made public in 1885 (vol. 13, p. 4940), "practically revolutionized the iron industry, and by the year 1890 basic open-hearth steel had practically supplanted the use of wrought iron for all commercial purposes." Side by side with these rapid metallurgical changes of product there was at the same time going on radical changes in the mechanical handling of the product.
476 To refer to but one of the many mechanical changes "in the late eighties" (vol. 13, p. 4940), "the introduction of electricity as a motive power also produced another revolution in the steel industry, so that practically all works had to be rebuilt if they desired to keep abreast of the recent developments of the art." But not only were metallurgical and mechanical changes taking place with regard to the different stages of metal production, but there developed at the same time a radical change not of one product or one stage but of all stages in the way of rounding up plants, or, as it is called, integration, so that continuous processes could be carried on. In the old method of wrought-iron making there was no continuity of operation (vol. 12, p. 4934). The molten metal produced by a

blast furnace was run into pig iron. This pig iron was transported to a rolling mill, where it was first puddled and then rolled into muck bar, which was again suffered to cool. The muck bar was again heated and rolled in finishing mills. As steel making progressed, its manufacture by various agencies (vol. 13, p. 4944), not necessary here to detail, became a continuous-fluid process. Instead of the metal being suffered to cool, it was continuously treated first as a fluid and then as an ingot, but always without entirely losing its initial heat. But these steel plants with their continuous processes and their increased capacity to produce served to confront the finishing plants with grave problems in reference to their basic supplies. This era of change and its new problems is testified to by Percival Roberts, jr., whose experience and relation to the steel business give weight to his summary of the changing conditions and problems confronting that industry. He testified (vol. 13, p. 4944):

478 "I think I had reached the situation existing as of the late eighties, when basic open-hearth steel was gradually or rapidly, I might say, supplanting wrought iron. The wrought-iron plants that were of smaller capacity and had insufficient capital or lack of sufficient tonnage to dispose of the product of an economical steel plant commenced purchasing billets and blooms from those who had converted their plants into steel-manufacturing ones. This production of billets and blooms was practically a by-product with the finishing mills. In times of activity they had very little surplus product to spare. When not so pushed on finished material, they disposed of part of their steel-melting capacity in the shape of semi finished material. The iron plants purchasing this material found that the same could not be carried on successfully, due to the fact that it required an almost unlimited capital to be locked up in supplies of billets, as finished material required so many different weights of billets and blooms that the stock on hand had to be enormously large; also the chemical requirements of orders requires that different grades of steel should be used. This also required a vast amount of material to be carried at all times on hand. Another matter which occurred about that time changed very materially the situation, and that was the introduction of what was known as the Jones mixer. I might say that up to that time the production of all blast furnaces was run out from the furnace in the shape of liquid pig iron and cast in the sand and allowed to become cool. The invention of

479 the Jones mixer was for the purpose of carrying on the production of steel as one continuous operation from ore to the finished product, never permitting the material to become cold until it reached the final economic shape. I do not mean to say that this applies to all finished shapes, but to a cross-section of material at which it would be economical to let the material cool.

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"The Jones mixer is a large vessel placed between the blast furnace and the steel works, in which the product of the blast furnace

is run in liquid form, making a large reservoir of fluid pig iron from which ladles are taken in liquid condition, the contents in liquid condition and used in Bessemer converters or open-hearth furnaces. The advantage of this process was that it reduced the cost of manufacture in this one respect alone by about one dollar a ton, which is the cost of remelting cold pig iron for steel production.

"The situation from 1890 on grew more and more acute. Those concerns which had become more or less integrated and had changed their methods from those of iron to steel were continuing their integration to even a greater extent than before, although I would like to say that even prior to the introduction of steel the matter of integration was one of varying degree, even in the manufacture of wrought iron, although there was not the same necessity for it. In those days one man mined ore, another man ran a blast furnace, another man operated rolling mills. The processes were all disconnected.

* * * * * * *

480 "Coal and limestone were sometimes separate, sometimes controlled by one party, but even in those days there were certain establishments which controlled their material from the ore and limestone up to the finished wrought-iron product, so that even in those days iron manufacturers were not on the same basis as regards competition. Those concerns whose output—I speak now as of about the year 1890—those concerns whose output was of a character and of sufficient tonnage, and who controlled sufficient capital to enable them to convert their works from iron to steel, did so, but there were a vast number of those whose character of product was of a less heavy nature, such as sheets, small bars, light plates, etc., who neither had the capital nor the output to warrant them in making or rendered it possible for them to make this change. There was also another class of establishments, namely, the blast furnaces, who had heretofore supplied the puddling furnace or the rolling mills with their pig iron for making bars. Those concerns found themselves without customers and they, in turn, were forced to develop a product which would take the place of their former one. These smaller concerns were buying, as I say, to the best of their ability, their billets, blooms, and slabs from the larger concerns, who were making them, in a certain sense, as a by-product during the years from about 1890 to 1896.

"These revolutions which I have spoken of, due to the introduction of basic open-hearth steel in place of wrought iron, were the
481 fundamental reasons for all the earlier aggregations of work which took place about the year 1898, and through that year down to, say, 1900. Certain of them were integrated, like the Federal Steel and the Carnegie Steel Company, backward to their supplies of raw material and to the extent which they had formerly been customers they to that extent became producers. The other concerns, like the National Steel, were composed largely of blast furnaces that had lost their custom for pig iron and who found

themselves compelled to produce instead of pig iron, billets and blooms for sale to those who had formerly used wrought iron. The Tin Plate, the Sheet Steel, the Hoop, the American Steel & Wire were composed of concerns who individually were neither able, for want of capital or amount of output, to change from wrought iron or to manufacture steel in sufficient quantities to make it commercially profitable to do so.

* * * * * * *

"The Tin Plate Company had been a consumer and not producer of wrought-iron product, and in fact the manufacture of tin plate had not taken place in this country until after the introduction of the use of open-hearth steel. So far as I included them in my answer, I meant to state that they individually were unable to produce the raw material from which their finished product was made, but by combining these individual units they would be enabled to do so economically."

The tendency of the steel business during these years toward concentration, combining, rounding up, or continuity of operation is reflected in the census figures. On the one hand, is an unprecedented growth in the volume of the steel and iron business done and of the increase of capital; on the other hand, is a striking decrease in the number of establishments doing it. Thus Bulletin No. 78, Census of Manufacturers, 1905, iron and steel and tin and terne plate, issued 1907, by the Department of Commerce and Labor (vol. 13, pp. 4948–4950), says:

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"The growth of steel production has been the heaviest of any portion of the iron and steel industry. The product of 1900 shows a gain over that of 1890 of 6,510,348 tons, or 155.9%, or an average increase of about 650,000 tons per year. The product of 1890 shows a gain over that of 1880 of 3,147,271 tons, or 306.3%, an average increase of nearly 315,000 tons."

Whether the cause of this enormous increase of production on the one hand was due to the rounding-up process of decreasing the number of plants and further expanding those that remained is of course speculative, but the bulletin in question does show that decrease in the number of separate plants with increase of capital in those remaining was the actual fact in the iron and steel business. In that regard the same bulletin shows that there were in 1880 in the United States substantially 1,000 of such establishments, with a capital of $250,000,000. By 1890, these 1,000 had decreased to 838, but the capital of those that remained was increased to $425,000,000. By 1900, the 1,000 establishments of 1880 had again decreased to 763, but the capital of those that remained had grown to over $600,000,000. During the same period the separate blast furnace establishments had also decreased. In 1880, there were 483; in 1890, 377; and in 1900, 273. This census evidence of widespread, general change, readjustment, and concentration by practical men in the iron and steel business would seem necessarily to have had some impelling cause—economic, me-

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chanical, metallurgical, or administrative—back of it. And in the absence of proof to the contrary, the conclusion of Mr. Roberts would seem reasonable that, "These revolutions which I have spoken of, due to the introduction of basic open-hearth steel in place of wrought iron, were the fundamental reasons for the earlier aggregation of works which took place about the year 1898 and through that year down to, say, 1900," and that the business reasons which induced practical steel men to so act was the fact that unless they did so the changed conditions of the steel business might force them out of business. In that regard the testimony of Mr. Roberts (vol. 13, p. 4951) is:

"Coming down to the year 1900 very many, if not the majority of those concerns who did not integrate sufficiently to control their supply of raw material, failed in business or were abandoned by their owners. * * * There are successful concerns to-day (p. 4953) who have not integrated in the manufacture of their own steel, but those are of a character where tonnage plays no part. Where you come to a large tonnage, however, or a comparatively large tonnage, I know of no successful concern to-day which has not integrated. * * * There never (p. 4956) was a year during that ten-year period that there were not numerous failures in the iron and steel trade, with considerable aggregations of capital; I will say they were very numerous, so numerous that probably in some years it
484 would amount to more than 100 failures in that period."

Light is thrown on some phases of this integrating process by the testimony of the president of the Republic Company, whose development and expansion has been heretofore noted. He says (vol. 2, p. 732):

"We have practically eliminated all of our scattered iron mills, have concentrated them or the operation at a few points of production, so to-day we produce practically but little iron and are manufacturing about a million tons of steel per annum.

"Q. This, I take it, is what you call an integrating process, was it not?

"A. Yes, sir; that was part of it, the addition of the mineral and coke and blast furnaces, and balancing up operation generally, completed the integrating process.

"Q. So that you were able to handle every feature of the process from the mining of the ore to the putting on the market of the finished product?

"A. Everything except transportation.

"Q. And so far as transportation is concerned, I understand you owned a fleet of vessels on the lakes to bring your ores?

"A. We have three vessels we own and have an interest or a part interest in some others.

* * * * * * *

"Q. You are adequately supplied with lake facilities?

"A. No; not quite; not balanced up. We are large carriers on the lakes in addition to our own fleet.

* * * * * * *

"Q. I judge from your testimony that this integrating
485 process that you spoke of attended your development of the steel end of your business, am I right?

"A. You are.

"Q. You did not need that so much, or at all, when you were simply manufacturing iron?

"A. No; it was done for economic purposes and also for trade reasons."

This testimony serves to show how radical, extensive and enforced was the steel integration, which summed up in the few terse words of this business man really meant a rounding-up and readjusting of everything, as the witness says—"from the mining of the ore to putting on the market of the finished product," and an increase, in that company's case, of resources (vol. 5, p. 1856) from $600,000 to over $23,000,000. From these figures the insistent necessity of integration in the steel business will be seen.

Coincident with these mechanical and metallurgical changes, another basic change of peculiar and dominating importance in the steel business was also taking place. This was in freight and in transportation. This change, it will be seen, not only restricted the range of a plant's market, but by doing so necessitated what might be termed locality integration. The chief factor in the manufacture of steel (vol. 13, p. 4953) is labor, and the next is the locality where it is produced (vol. 10, pp. 3961, 3987, 3988, 4059, 4060, 4061). Being of great bulk, the transportation of the raw material to where it is made and the freight to where it is used (vol. 11, p. 4344), are the factors decisive of its being profitably made and sold. As illustrative of the vital character of freight as a factor the proof (vol. 12, p. 4815) is that the Steel Corporation uses 45,000 tons of ore alone a
day, not to mention coke or limestone. The delivery of the
486 steel to the user, and the net gain over cost received from him is, of course, the practical test of steel making. From these self-evident, business truisms it follows that the tonnage of bulky steel products restricts its steady, natural, and sustaining market to the consumption of the territory near its place of production. For example, great as is the consumption of steel in the New York district, and ample as is the productive capacity of the United States Steel Corporation to supply it, yet the proof (vol. 10, p. 3782) is that the Steel Corporation does "very little business here (New York) compared with that done by the mills in Bethlehem, Phoenixville, and mills located near here." Prior to the regulation of freight rates by the Government through the Interstate Commerce Commission freight stability was unknown. Special rates to large shippers, cuts in freight rates, and secret rates were common practices between the steel producers and the railroads, and these enabled steel manufacturers to ship bulky products into territory naturally sup-

plied by other manufacturers, and by these cuts, special rates or rebates to dump their surplus products in districts which they could not enter if they paid proper freight charges. Thus at one time the Illinois Steel Company by virtue of getting a forty-five cent rate from Chicago to Yokohama on export business was able to ship rails to Japan. This freight rate (vol. 10, p. 3882) could not be had now that freight rates are regulated. The pinch and prohibition of freights in narrowing markets may be best illustrated in a letter found in vol. 11, p. 4286, where a great steel maker in 1899 said:

"The greatest blow we have received is in the rise of railway rates and we should address ourselves to rendering these im-
487 possible. There is no reason why we can not ship to Conneaut and to western points by boat from Conneaut, and I would spend a good deal of money and a good deal of attention upon this. The mere fact that you begin shipping in that way by boat will bring railroads to their senses. I also think that something can be done shipping by Erie Canal from Conneaut. I think the Lorain or somebody else put a line of boats upon the Erie, and I know that a paper manufacturer of Erie does all his transportation by line of boats, which he tells me costs him about 75 cents per ton. One shipment to New York by canal would give your railroad friends much anxiety."

When, however, under the regulating power of the Government freight stability was enforced the steel maker's market was at once locally restricted and his only way of overcoming the regular, stable, adverse, freight rate was to integrate locally; that is, to erect or acquire other mills in the market locally from which freight forbade his heavy produce entering. The embargo laid by freight on distant markets is simply a business fact, and it suffices to say that while the Government by this enforced transition of the steel shipper from the era of unstable freights, cuts, and rebates to an era of freight stability, in the end contributed to corresponding benefit and stability in the steel maker's business, yet it must not be overlooked that in thus narrowing his market, the steel maker was compelled to broaden his market by expanding his operations so as to manufacture in additional localities. Coincident with this tendency to integration and to the consequent widening of variety of product and to the
488 entry of steel into new fields, a radical change in the variety of ore supply was necessitated. In thinking of iron ore, we are apt to regard it as simply ore, and overlook the fact that there is a radical difference in different ores. In the earlier manufacture of iron, practically any ore could be used, but as the steel era came along with its chemical tests (vol. 11, pp. 4381, 4441, 4575; vol. 13, p. 4807), and the specified requirements incident to its use in varieties of articles, the particular character of the ore base became more and more a matter of importance. The practical proof of this wide range of various ores required is illustrated in the proofs, which is that even with the wide range of ores owned by the Steel Company it is at

times unable to meet the requirements of purchasers. In that regard the proof is (vol. 10, p. 3835)—

"We (the Steel Corporation) purchase a great many rails from our competitors—occasionally our people in some country will take an order for a specification which it may not be possible for us to fill. At times we have bought rails which called for Cuban ores to be used as a basis for manufacture, and we bought those rails from the Maryland Steel Company."

We noted above (vol. 10, p. 3733), where eighteen different kinds of billets were required in a wire mill alone. The proof is (vol. 11, p. 4375; vol. 12, p. 4813, also 4821; vol. 13, p. 4977), that it is only by a scientific mixture of different sorts of ores that steel of the large range of specified stel requirements can be made. This simple statement of a few lines, when carried into practical business operation, means the furnishing of many varieties of ores that may
489 be as far away from a blast furnace as Minnesota, Cuba, or Chili. These must be bought, mined, transported, fluxed, and treated in order to meet, for example, the exacting structural requirements of a steel rail. To successfully produce that rail in great tonnage, which under the proofs is a business necessity, every step in that long spread from the ore in the ground to the finished rail must be under the integrated control of that agency which is ultimately held responsible by the railroad for the rail. In that regard we quote from the proofs:

"Starting from the ore fields. Individual concerns owned individual mines; no concern was sufficiently large to own groups of mines of different characteristics and qualities. All metallurgical people know that the best results are obtained by scientific mixtures of different sorts of ores, and by consolidating the ore interests of all these companies we were able to give each individual company the ideal mixtures in order to produce the most economical and best results.

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"To one familiar with the steel and iron making industries the advantages of so doing are enormous. The transportation of material affords equal opportunities to economize. Ships do not need to wait until each particular cargo can be loaded for each particular works, but can be kept moving steadily and assigned to various works while in transit. Mills that formerly had to make a great variety of articles, by reason of consolidation are enabled to run steadily on one line, producing far greater tonnage and at very much less cost."

490 The result of these radical and forced changes in steel making evidenced itself in the rapid and widespread fever of integration by consolidation that took place toward the close of the century. Whether from such consolidations, monopoly, rise in prices, and restraints of trade were hoped by many of their promoters to be obtained, it would seem that the deep-lying motive which led practical steel men to put their plants into such consolidation was

the recognition of the absolute business necessity of integration as a condition of staying in the steel business. Thus the Carnegie Steel Company, occupying as it did the commanding position in the steel trade, varied as were its products, having fully seventy per cent of what foreign trade there was, and having the foremost place in the home market, itself felt the necessity of and was preparing to enter on further integration by widening the variety of its product. While leading in some lines, it was deficient in others, notably pipe and wire (vol. 11, p. 4143), which consumed much of its basic products. In the minutes of that company of July, 1900 (Government Exhibit, vol. 6, p. 1881, and also vol. 11, pp. 4281–2), its president stated:

"I have already expressed my views on the matter of rails referred to by Mr. Carnegie. For myself I do not see that there is anything left for us to do but to build a hoop and a wire mill. The American Steel & Wire Company have served notice on us for cancellation of their contract with us. The American Steel Hoop Company are buying but little from us. With the loss of customers that we have
491 sustained it will leave us in a position to have no four-inch billets to make. There does not seem to be any other place at present to place them. The contract with the Union Steel Company would not prevent us from going into the wire business. It is very doubtful indeed whether they would take a full tonnage from us. It looks very much as though we would have to put our steel into the finished article. We formerly sold to the constituent companies of the American Steel & Wire Company and the American Steel Hoop Company from 30,000 to 35,000 tons of billets per month. We have done all that we can to endeavor to get them to take their tonnage from us, but so far we have been able to accomplish nothing. I do not see how we can stop at wire rods: I think we shall have to finish the wire and nails because there are no customers for wire rods at the present time. We have figured that a hoop mill will cost about $800,000.00, a rod mill about the same amount, and a mill to make barbed wire and nails would cost about $1,000,000.00, or a total expenditure to go into the hoop and wire and nail business, about $2,500,000.00."

In a letter embodied in such minute, Mr. Carnegie said:

"I do not think that there are many customers for rods remaining and believe that if there are, they will not exist for a long time. We should not go into rods, as I see it, unless we also go into wire. No use going half way across a stream. Should aim at finished articles only. It is coming to this in all branches."

492 That these minutes represented the then purpose of the company was stated by its president, who testified (vol. 11, p. 4282): "We adopted the plan at that time of building mills to finish our own steel that we had formerly sold to those companies." So also had the Carnegie Company determined to integrate by adding the important items of pipes to its finished product. The purpose of this was to create for itself and in itself a customer that would use part of its product by making it into pipe. This item of steel consumption

embracing oil, gas, water, irrigation, and kindred fields the Carnegie Company, as we have seen, did not make. That this vast field of basic steel consumption was not sufficiently filled, is shown by the fact that they planned to spend in additions for such pipe-making mills, excluding land, $12,000,000.00 The plans for this enterprise were entered upon in 1897 or 1898 (vol. 11, p. 4295). It will also be seen in discussing later the acquisition by the Steel Corporation of the Seamless Tube Company that the Carnegie people were carrying on substantial experimental work at the Seamless Company's plant with a view to itself entering the tube field (vol. 13, p. 4198-9). Efforts had been made to get a site near Pittsburgh, but sufficient acreage for the large works in view could not be found. Meanwhile, a site of 5,000 acres was secured at Conneaut on Lake Erie, where the company's ore steamers, coming from Lake Superior, delivered the ore to the company's railroad for transit to Pittsburgh. From this point (vol. 11, p. 4297; vol. 11, p. 4286), water transportation for pipe was available to seaboard and to the entire territory tributary to the Great Lakes. The testimony (vol. 11, p. 4297) is that this proposed widening of the Carnegie Steel Company's product
493 variety to include pipe and wire products was absolutely "in good faith an indicative of the intention and purposes of the Carnegie Steel Company." In that regard the president of the company (vol. 11, p. 4390) testified:

"Q. Speaking about the purpose of the Carnegie Company to go into other lines of business, and the finishing of its semi-finished product, do you remember whether the scheme talked of in the middle of 1900, as Judge Dickinson brought out from you, of building your wire mills was persisted in to the end of that year?

"A. The scheme to ultimately do so was. My recollection is that the operations were deferred owing to financial conditions at that time in our company; but the idea of ultimately extending our lines into all these finished products was not conceived in that year; it had been discussed for some years before, and plans made, and a general policy outlined for ultimately doing it."

As evidencing not only that fact, but that it was a necessary and far-sighted integration—one called for by the legitimate future of the business—will appear from the fact that after the Steel Company was formed and its comprehensive plan of complete integration was carried out, that company expended $13,000,000 (vol. 10, p. 1076) in building the pipe plant which the Carnegie Company in 1900 planned to build, and it will be noted further that it built it in the immediate Pittsburgh district on ground near the National Tube Works, where the Carnegie Company was not able to get the required site.

All of which seems to strengthen and confirm the conclusion
494 of the insistent requirements of integration in the steel trade at the close of the century. The like compulsory integrating influence thus shown in the Pittsburgh district evidenced itself also in the great Chicago steel district. In that district the Illinois Steel Company held the same commanding local position as the Carnegie

Company in the Pittsburgh. Its natural market was the Chicago district (vol. 6, p. 2215; vol. 12, p. 4734). It had a rail market in Canada at times which could not be reached by the Carnegie. In spite of the allegations of foreign trade made by its then management it really had little or none, and really could have (vol. 6, p. 2215; vol. 10, p. 3829) no profitable foreign trade. Such foreign trade as it had to Canada was of the spasmodic character heretofore referred to. It had large plants at Chicago and Joliet, Illinois, and at Milwaukee, and had railroad properties, but its product of basic open-hearth steel was, even in 1890, only 190,000 tons, as compared with the Carnegie Company's 1,250,000. It (vol. 14, p. 5505) lacked the finishing units of steel sheet, steel hoop, and tin plate mills (vol. 12, p. 4735), that were afterwards acquired in pursuance of the integrating policy which the plans of the United States Steel Corporation contemplated. Practically it had no substantial wire (vol. 12, p. 4734) or structural output and no tube or pipe output at all (vol. 12, p. 4735). In 1898 the Illinois Steel Company entered on an effort to integrate by consolidation and with foreign trade in view (vol. 18, p. 4718; vol. 14, p. 5472). In pursuance of its integrating policy the Illinois Company formed the Federal Steel Company, which took over the Minnesota Iron Company. This gave the Federal a Lake Superior ore reserve, its own railroad transportation to Lake
495 Superior, its ore fleets to Chicago and Lake ports. It also took over the Lorain Steel Company, which gave it mills in the Cleveland district and at Johnstown, Pennsylvania, in the Pittsburgh district, and a relative approach to the seaboard. These mills were then regarded (vol. 12, p. 4714) as enabling the Federal Company to supply foreign trade from those districts. This expectation was to that extent justified, for the proofs show (vol. 10, p. 3813) that so far as their individual products are concerned the Lorain and Johnstown mills are now very substantial factors in the foreign trade developed by the Products Company. But apart from these mills the Federal Steel had no facilities for entering into foreign trade, and the proof is that even with all the facilities for entering such trade possessed by the Steel Company (vol. 10, p. 3828 and 3829) but two per cent of the product of the Illinois Steel Company now goes into foreign trade, and that part goes not into such general trade but only into such Canadian markets as its location permits. The integrating steps thus mapped out are recited in the proofs (vol. 12, p. 4695), but these particular efforts at complete integration proved disappointing in that it was not complete enough. In that respect the proofs are (vol. 12, p. 4718), "the plan and organization were good as far as they went, but the organization was too small, the capital employed was too small, the facilities for finishing steel were not sufficiently diversified. We lacked finishing mills and our locations were not the best or good enough to extend foreign trade as we had hoped." Realizing these limitations, and that the Federal Steel Company's operation were not rounded to a successful manufac-

turing future, the proofs (vol. 12, p. 4721; vol. 14, p. 5473)
496 show that steps had been taken just before the United States Steel Corporation was formed, to raise from forty to forty-five millions of dollars in further integrating the Federal Company. That such steps by the Federal Company had as their real basis the bona fide commercial and industrial requirements of further integration is, just as we have shown in the case of the Carnegie Steel Company, also shown in the Federal's case by after events, in connection with later developments in the Chicago district. The record (vol. 11, p. 4143; vol. 6, p. 2418) shows that the Federal Company was not equipped to make pipe and sheets at all and plates only to a relatively small extent and had no complete line of finishing mills. It further shows (vol. 8, p. 2978) it lacked adequate open-hearth capacity, did not have the money (vol. 12, p. 4762) to extend it, had (vol. 11, p. 4226) very limited structural product facilities, and even with its ore supplies it had (vol. 11, p. 4384) to buy other ores to get the proper mixtures. After the Steel Company was formed, in order to supply the needed rounding-up equipment of the Chicago district which the Federal lacked, the Steel Corporation made large additions in that district at Gary, in the center, and at Duluth on the northern limit with a view to reaching from Duluth the western Canadian market. In that regard the proofs (vol. 10, p. 4071) show that some eighty millions of dollars were spent in building at Gary open-hearth plants, a rail mill, structural steel plants, bar mills, sheet mills, and plants of the American Bridge Company and the American Sheet & Tin Plate Company, in all of which facilities the Illinois and Federal Steel Company were deficient. Along the same line the proofs (vol. 10, p. 4075) show that ten millions
497 are being expended at Duluth to erect blast furnaces, open-hearth furnaces, and bar and merchant mills with which to supply the American and Canadian Northwest. As evidencing this trend to further integration, the desirability of the Federal Steel Company acquiring the Carnegie Company, and thus integrating eastward, was in 1899 (vol. 12, p. 4722) brought to the attention of the Federal Steel Company by a representative of the Carnegie Steel Company, who then suggested "that it would be a good thing for the Federal Steel interests to purchase the Carnegie property and perhaps with them some other properties, which included finishing mills of various kinds, suggesting companies, the Wire Company and the Tin Plate Company and some other companies." The matter was actively taken up by the Federal Company, but eventually fell through (vol. 12, p. 4723) because "Mr. Frick was not willing to agree that the whole Carnegie organization, including himself, would remain in the company and assist in carrying on the business." The proofs further show that early in 1900 Mr. Schwab, the president of the Carnegie Company (vol. 12, pp. 4724–5) urged the buying of that company by the Federal and efforts were again made to have Mr. Morgan, who was a member of the board of the Federal Steel Company, take it up, which he declined to do (vol. 12, p. 4725).

This demand for integration, which thus evidenced itself in these two leading companies each attempting to integrate back to the base of supply and also into more extended and diversified finished product, also evidenced itself in other branches of the steel trade. This was the integration of mills which were large consumers of
plates, ingots, billets, sheets, rods, structural iron, and other
498 semibasic products. Without specifying all, we refer to the steady integration of these various subdivision of the steel trade. This began in December, 1898, when the principal tinplate manufactories integrated by consolidation into the American Tin Plate Company. In January, 1899, the American Steel & Wire Company was formed by a consolidation of all the leading wire-product manufacturers. This was followed in February, 1899, by the consolidation into the National Steel Company of twelve per cent of the ingot production of the country, which was located on the eastern side of Chicago and the western side of the Pittsburgh district. The same month saw the National Tube Company formed by great concerns making various kinds of tubes and pipes. In March of the same year, sheet-steel makers in large tonnage combined to form the American Sheet Steel Company, and in April of the same year the American Steel Hoop Company was formed by the leading makers of hoops, bands, and cotton ties. While the American Sheet, the American Hoop, and the National Steel were separate companies, yet for integrated, continuous working, they were in effect (Topping, vol. 2, p. 636, 684, also vol. 12, p. 4764) necessary to each other, Mr. Topping testifying: "You will remember there was formed the Steel Hoop and the American Sheet Steel. The formation of those companies, as I understood it at the time intended, was to balance up National Steel so as to make it more nearly self-sustaining. In other words, the National Steel was the raw producing steel company to supply the crude material to the Sheet Steel and the Steel Hoop and the Tin Plate companies." This integrated relation is no doubt the manufacturing feature on
which it was (vol. 12, p. 4747) insisted that the finishing com-
499 panies would not sell to the Steel Corporation unless the National was also purchased, as Mr. Carnegie (vol. 12, p. 4747) insisted should be done. In the same month we find the principal structural and bridge erectors and producers forming the American Bridge Company. In connection with this consolidating and integration of structural manufacturers and fabricators, it is but just to note, as illustrative of compelling forces outside that industry, the demands which the business world was making upon the structural steel industry. Thus in referring to the American Bridge Company and its carrying forward at a later date this policy of expansion and local integrating of its works, the proofs (vol. 10, p. 3961) show that such great operations as the tall buildings of recent origin, such railroad work as the Hell Gate Bridge, and such national work as

the Panama Canal, practically necessitate the existence of such companies. In that respect the proof is, railroad bridges are—

"* * * confined to those companies having the largest plants and those equipped for that sort of work. There are a very few companies, for example, that could build a bridge like the Hell Gate Bridge, involving 40,000 tons of material and an incidental expense of perhaps $300,000 to get the false work together. When we secured that contract we had to expend immediately $160,000 for tools. While we were a very large concern and had a very well equipped plant, we were obliged to buy $160,000 worth of tools for that particular work. * * *

"Q. Has there been any change in the style and size of the structures in the last twelve or fifteen years which affected the size
500 of the plants that are necessary in order to execute the contract?

"A. Yes. * * * Since that time buildings ranging from 18 and 20 stories up to 36 stories have been built. * * * We fabricate the steel and deliver it to the site and erect it."

The proofs also show it is necessary to have structural plants in different localities. In that regard (p. 3961) and referring only to the Middle-West equipment, the proof is that the American Bridge Company has in the West "a plant at Toledo, one at Ambridge (Pittsburgh), one at Gary, Indiana, a large plant and a comparatively new plant; one at Chicago, one in Minneapolis, one in St. Louis, and one in Detroit. * * * It is a zone business, more or less." A zone business is a "business within 300 or 400 miles of where the plant is located; it is a question of freight rates.

"Q. You mean by that, bridge business or structural business for buildings?

"A. Both."

They further show that it requires a large plant to deliver such contract requirements, so as to coordinate with other parts of the work. The proof is (p. 3961), referring to the work done by the American Bridge Company along the Panama Canal—

"We have done about eight million dollars' worth of work there for the Government so far. * * * We are building the emergency dams, building the transmission towers and the administration building, and the machine shops, involving about six thousand tons, and we have been doing a great deal of work outside of the lock gates, which are furnished by McClintic-Marshall Company. I think we have done the major portion of the work,
501 and it has always been work that we had to get out pretty promptly and sometimes have to set aside other work to accomplish the deliveries required."

It will thus be seen that these large modern operations practically necessitate correspondingly large manufacturing facilities and financial resources to adequately and successfully meet such product demands. These rapid, widespread, and isolated integrations of different subdivisions of the steel trade can not be reasonably ex-

plained on the sole theory of a widespread, dominating purpose in each of these aggregations to monopolize or restrain trade. In the first place, the proof is simply one-sided that they did not control trade, and that in spite of their size and their large proportions of then existing trade their competitors, as we have already seen, have increased more rapidly than they. So that, while there may have been in the minds of those who formed them the possibility of monopoly and increase of price, we are inclined, from a study of the proofs in this case, to the belief that the real underlying influence was the economy of management, the locality of production and market, and the continuity of process which resulted from such integration. Take, for example, the last one formed—the American Bridge Company. During the years it has been a subsidiary of the United States Steel Corporation its business has increased 42%. In that time its competitors have increased their business 164%. During that time the American Company has had the help of all the associated subsidiary companies of the Steel Company; it has shared in all the economies of management, cooperation, and financial help rendered by the parent company; yet with all these aids
502 its competitors have increased their business four times as fast as its own. It would seem therefore that the American Bridge Company had even less hope or power to monopolize when it was originally formed and stood alone, when it could not, when bought by the Steel Corporation, so monopolize the steel structural business of the country. In view of such facts, we have been impressed with the view that these consolidations and integrations, accomplished or in view at the close of 1900, were more largely made with a view to meeting the changing conditions in the steel trade on its transition from iron to steel, and in its adjusting itself to the progress, improvement, and development in that industry rather than with monopolistic intent. The proof in regard to the reasons for the formation of the American Bridge Company fairly states, as it seems to us, the basic reasons which led to the unifying of the separate branches of the steel industry. Thus, in vol. 2, p. 874, it is testified, with respect to that company's formation, as follows:

"A. The purpose of the formation of the American Bridge Company was simply along the lines of economical shop management and had no reference whatever to any monopoly or to securing the entire industry of the country. The plants which became a part of the American Bridge Company were believed to be in a position to be operated more economically as a combined whole than as independent units, and the foundation of that company was the securing of a steel works whereby they could obtain to a large extent the control of their raw material for fabrication, the basis of practically all struc-
503 tural contracts being one of time, the time of delivery being the most important factor in practically 90% of all contracts taken. These independent units found themselves at that ime in a very disadvantageous position, due to the fact that the large steel plants were commencing to do their own fabricating, whereby they were

enabled to control their rolling mill supplies and make such deliveries as these independent fabricating shops, having no control over the raw material, could not do.

"There was also another reason for it, namely, that contracts were increasing so rapidly in magnitude that as independent units they were unable to secure sufficient working capital to enable them to fabricate these large tonnages.

"You can trace from the very beginning of the securing and assembling of their raw material through the designing, fabrication, transportation, and erection work, and the increase in their working capital the reasons for putting together those plants, which were of two principal characters: first they were partly competitive, I might say, by reason of a greater or less similarity of output, and by reason of a common territory into which the transportation rates enabled them to ship the material; and, second, plants absolutely noncompetitive, due (a) by reason of an entirely dissimilar output, and (b) by reason of their geographical location.

"The whole scheme was one to decrease cost of production and to operate along the lines of what at the present time is termed scientific shop management. As a matter of fact, any advance in
504 prices was not discussed to my knowledge; nor did any such enhancement ever take place. Competition at all times was extremely severe, and the profit on the output decreased from the time of the formation of that company until the present day. A number of concerns were offered to the American Bridge Company at the time of its formation, which were declined for various reasons, because they did not seem to be essential in the rounding out of the proposition that I have referred to."

As we have said above it may have been the fact that apart from the operative necessity that led to many manufacturers putting their works into these consolidations, there was probably a purpose also to monopolize and restrain trade, yet by the time the Steel Corporation was formed the inability of these prior combinations to so monopolize trade was proven to those who gave heed to facts and figures. For example, Government Exhibit, vol. 7, page 2017, shows that the production in 1898 of the pig-iron plants subsequently acquired by the Steel Corporation had been 46% of the country's total production of 1898; in 1900 the proportion of these plants had fallen to 41%. In the same way Bessemer plants, afterwards acquired by the Steel Corporation, had fallen from 73% in 1898 to 70% in 1900; the Bessemer rail plants had fallen from 63% in 1898 to 61% in 1900; wire rod plants had fallen from 97% in 1898 to 82% in 1900; structural shape plants had fallen from 66% in 1898 to 61% in 1900; plate and sheet plants had fallen from 67% in 1898 to 66% in 1900; while the wire nail plants subsequently acquired by the Steel Corporation,
505 which had in 1898 produced 89% of the country's total production had by 1900 dropped off to 73%. Indeed, as we gather the net results of these different plants in varied steel lines, the acquisition of which (1901) by the Steel Corporation is alleged to evi-

dence a purpose to monopolize, the facts and figures show that in only one product, namely, that of ingots and castings, had there been an increase of proportion in the three preceding years by those plants and in nine other branches, the plants which the Steel Company subsequently acquired had in point of fact in those three years clearly shown their inability to monopolize by a decrease of relative percentages ranging from one per cent in the case of plates and sheets to sixteen per cent in wire nails. And that this three years' decrease in actual monopolistic control was the normal trend of the steel business is shown by the fact that such proportions continued to decrease after the Steel Corporation was formed. As an example of this tendency we may cite the wire plants subsequently acquired by the Steel Corporation, which in 1898 had 88% of the country's production, and in 1900 had fallen to 72%, had by 1911 so continued to lessen their proportion of the part sold in the American market that it was then but 42% of the country's production.

Moreover, these combinations were the subject of congressional investigation from 1898 forward, and the proof (vol. 28, p. 11760) is that while the results of that investigation were published, they are not in evidence before us. They have resulted (vol. 12, p. 4755) in no adverse action by the Government. From all which we find support for our conclusion that these former combinations were
506 largely the result of economic and manufacturing plans for the production of product rather than for monopolistic plans for selling product. At any rate the proof is that as a practical business experience these combinations which existed prior to the Steel Corporation had, in the three years preceding the formation of the Steel Corporation, shown a waning power to monopolize, if any such power existed when they were formed.

We have thus seen the unifying, integrating, and rounding-up influences which were irresistibly forcing those engaged in the practical work of making steel to form these prior combinations of integrating units. The proofs show that Mr. Morgan was a director in the Federal Steel Company (vol. 12, p. 4724), but that he personally knew nothing of the steel business. His firm had taken part in some of these consolidations, but the suggestion of the absorption by the Federal of the Carnegie Company had not appealed to him. The proof is (vol. 12, p. 4274) that while he was a member of the board of directors of the Federal Steel Company and was financially interested in it, he had probably never attended a meeting of the board and taken no part in its management and knew nothing of the practical steel business. The conditions in the steel trade being such as we have shown above, Mr. Morgan, in December, 1900, attended a dinner in New York, where some eighty men, prominent in steel manufacturing and the banking business were present. This dinner was given to Mr. Schwab, the president of the Carnegie Steel Company. Whether the dinner was given for the purpose of affording an opportunity of interesting Mr. Morgan in buying the Carnegie

Steel Company, which the bitter differences between the part-
507 ners in that company (vol. 6, p. 2189, vol. 14, p. 5655 and 5656), and the desire of Mr. Carnegie to retire from business, then made possible, there can be no doubt, in view of the outcome that Mr. Schwab then gave to the bankers present, and particularly to Mr. Morgan, who was seated beside him, such a comprehensive view of the steel trade, as was well calculated to show the possibility of carrying integration to its logical manufacturing and merchandizing efficiency, and afforded the Federal Company, of which Mr. Morgan was a director, the opportunity to carry out on a large scale the policy of integration that company had planned and had (vol. 12, p. 4719) attempted to carry out. And there can be no doubt that Mr. Schwab realized that if a sale of the Carnegie Company could be made, the grave discord among the partners of the Carnegie Company (vol. 14, p. 5655 and 5656) which had arisen, could be ended, and the policy of integration on which, as noted above, that company had also embarked, could be carried out by some larger organization. Indeed, the evidence is clear that there was an earnest desire on the part of the owners of the Carnegie Company for several reasons to sell. The situation was summed up by Judge Reed, who (vol. 14, p. 5655) testified:

"Q. The Carnegie management was originally a partnership, I believe, was it not?

"A. A limited partnership.

"Q. When was it turned into a corporation?

"A. In the spring of 1900, turned into two corporations.

"Q. What is that?

"A. Two corporations were formed at that time.

508 "Q. What were they?

"A. The Carnegie Company was the holding company of the stocks of the Carnegie Steel Company, the Frick Coke Company, and the Bessemer & Lake Erie Railroad Company; the Carnegie Steel Company was organized under the laws of Pennsylvania, and was the operating company.

"Q. What do you know of the desire of the stockholders of the Carnegie Company to sell out in the year 1900?

"A. I think they were all desirous to make some permanent disposition of the property for several reasons.

"Q. There had been dissensions among the partners a year or two before, had there not?

"A. Yes; that is a mild word for it; there had been quite serious dissensions between Mr. Frick and Mr. Carnegie, as the leaders.

"Q. Resulting in litigation?

"A. Resulting in litigation.

"Q. That was ended, I believe, by the organization of the corporation or corporations?

"A. Ended by the formation of the two corporations of which I have spoken.

"Q. Was entire harmony restored between the gentlemen by its organization?

"A. No, sir; it was not.

"Q. Now, did you learn from these gentlemen themselves of their desire to sell out in 1900, or from any of them?

"A. Why, I could not say that it was said in so many words, but I know that it was their desire, as I say, that some permanent disposition should be made of the property for reason that Mr. Carnegie was growing old. He had the majority interest in the com-
509 pany. A manufacturing company like the Carnegie Steel Company that was intensely active could not be successfully operated with the majority interest in the hands of trustees in case of his death. He himself was anxious to get out of business and get his interest in these concerns put into investment shape, and so you can see that generally there was a desire among all of them to have some kind of a disposition made of the property during his lifetime that would be permanent.

"Q. Was Mr. Carnegie giving a personal and immediate attention to the business during that time?

"A. He was, but not in the sense of being on the ground. He was either in New York or Skibo, and was getting constant reports, and he was seeing the various officers of the company frequently, and he was sending them advice from time to time.

"Q. Skibo is where?

"A. In the north of Scotland.

"Q. About how much of the year was Mr. Carnegie spending there at that time?

"A. About half of it.

"Q. And the other half in New York?

"A. In the United States; either in New York or, during the winter, in the South.

"Q. But formerly, in earlier days, he had been in Pittsburgh and attending personally and actively to business, had he not?

"A. I believe until about 1880, when he moved to New York.

"Q. Was that so early as that?

"A. Yes; I think about that time; but he was within practical reach of the business whenever he was in the United States.

"Q. He could reach it by letters, could he not?

510 "A. Yes; and telegrams.

"Q. Do you know whether he was desirous of giving up even that connection with the business, aside from his desire to put his holdings in investment shape? Do you know whether he wished to be relieved of the care and attention and thought that the business required of him, and to devote his time and thought and energies to other things?

"A. Yes; I think he was.

"Q. What was it that he contemplated, if you know, from him?

"A. What he has since done; that is, devoting himself to philanthropy and peace, and one thing and another."

With these matters no doubt in view, Mr. Schwab made an address as already quoted, and brought into clear relief three propositions,

first, that steel making had then reached the limit of improvement in metallurgical methods; second, that further advance was dependent on integrating processes; and, third, that to take care of the growing steel production a great foreign trade was possible. It is suggested that this whole talk of integration or rounding up of manufacturing facilities is an afterthought, and a mere cloak to veil a concealed purpose to monopolize trade. Let us examine what the proofs show in that regard.

Looking only at the two great companies, the union of which made possible the Steel Company, the Federal and the Carnegie, we have the fact (see statements in bill, volume entitled "Pleadings," pages 3 and 4) that both these companies had been themselves gradual integration growths, and their managements were then trying
511 to integrate them further. The Illinois Steel (vol. 14, p. 5472; vol. 12, p. 4693) had entered into the wider field of the Federal; it had integrated back to ore; it was trying to integrate locally into eastern markets through Lorain and Johnstown; had considered the acquisition of the Carnegie Company and had planned to spend (vol. 12, p. 4719–20–21; vol. 14, p. 5473) some forty to fifty millions of dollars in further broadening its field of products. For making the great basic product of open-hearth steel, which was then becoming the dominant factors in steel, the proofs (vol. 8, p. 2978) show the Federal was not equipped. The subsequent location of the great open-hearth plant at Gary alone (vol. 10, p. 4074) shows the existence of the Federal's prior need of further integration without reference to the fact (vol. 10, p. 4074) that it was lacking in finishing mills for rails, bars, structural, sheets, etc. In the same way we have seen the Carnegie Company was lacking in finishing plants for tubes, wire, hoops, and many other finishing plants to use its subbasic products. These patent facts and urgent needs—facts which, as we have seen, were set forth at the time in the minutes, letters, and communications heretofore quoted, evidence the existence of the practical manufacturing necessity of both these great companies, either building or buying finished mills. That such purpose of manufacturing integration should have been elaborated and formally set forth as the reason for its purchase by the Federal Company of the Carnegie Company would not in the nature of things be done. Everyone concerned knew those facts without their being stated. It was a thing every steel man recognized so fully that no specific reference would be naturally made to it. But the proofs do show that whatever purpose was in the minds of those forming the Steel Company,
512 integration was certainly one of the special objects in view.

Thus, Mr. Schwab (vol. 11, p. 4139) makes it clear that "the economic advantages to be derived" were more enlarged upon even than foreign trade. "I might say," is his testimony, "that I enlarged, and perhaps made a more strenuous talk to Mr. Morgan upon the subject of export and our ability to export, and foreign business in foreign markets, than any other, *excepting only the economic advantages to be derived.*" That "the ability to export" and "the

economic advantages to be derived," thus enlarged upon was integration, is shown in Mr. Schwab's testimony:

"With reference to the foreign situation, I pointed out to him that up to that time our business, the steel business in general, had been nominal with reference to export business; and that, in my opinion, it could only be made profitable and possible by such an organization; that no company selling an individual line, a single line, or one or two lines, could hope to successfully compete for foreign business, where they were not prepared to furnish the customer every line that he might require for a structure or a business; and that half a dozen or a dozen individual companies could not afford the expense of the organization to secure the talent necessary to make a successful export business, while such a company as I outlined could."

That this plan of integration in varied products—and nothing in excess of the required integration—was carried out is also shown by the proofs. In that regard, the same witness, speaking of
513 his visit later to Mr. Morgan, when he took him the figures at which Mr. Carnegie would sell, testified:

"Q. Did you have any further talk with him at that time you can recall?

"A. We had quite some talk upon the general subjects outlined before, and I was consulted with reference to the other concerns. I had nothing to do with the negotiations for the other concerns.

"Q. Who consulted you, Mr. Morgan?

"A. Yes; Mr. Morgan and Mr. Bacon.

"Q. Asking questions about what?

"A. A great many questions relative to the other concerns, the various concerns.

"Q. As to their character and business?

"A. As to their character and business, and what changes would be made and how they would be operated, etc.

"Q. Was there in any of that conversation any question of obtaining all the steel plants, or acquiring a monopoly or anything of that kind? * * *

"A. There was considerable discussion about the acquisition of other plants. I advised Mr. Morgan against it, because the other plants added nothing to the efficiency of the one I proposed. For example, plants like Jones & Laughlin, the Pennsylvania Steel Company, the Cambria, were discussed, but I said 'no; they are in practically the same lines as the Carnegie Company and they add no efficiency to this organization.'

"Q. At this time did the Federal have finishing mills?

"A. They did.

"Q. A sufficient number of them?

"A. They had a sufficient number in their own lines.
514 "Q. What were they lacking?

"A. The Federal did not make tubes; they did not make sheets; they did not make plates to any extent, and among the things needed there were few that the Carnegie Company made other than rails that the Federal Company made, and as to the Tube Company the Carnegie at that time did not make tubes, nor did they make wire, which the wire company made. Indeed, the addition of these plants, the general whole, was the addition of the lines that the Carnegie or the Federal have a complete line of finishing mills.

* * * * * * *

"A. No steel company had!

"Q. None of them had!

"A. None of them had; not nearly a complete line.

"Q. Which companies were there that you talked about as being capable of making up a complete line!

"A. There was the Carnegie and the Federal and the National; and then there was the Wire, the Tube, the Bridge, and the Sheet, and the Hoop Company, all of whom made their individual lines; and the Tin Plate Company also; I overlooked them.

"Q. As to the business of these companies, where was the business of the Federal principally done!

"A. Mostly in the Middle West.

"Q. And the Carnegie!

"A. When I say the Middle West, I mean Chicago and west. The Carnegie, from Chicago east.

* * * * * * *

"A. They made rails. They made blooms and billets.
515-16 You asked what they made in common. They made blooms and billets that were supplied to other finishing companies, which they did not finish themselves. Then the Carnegie Company made a few, a very small percentage of merchant bars, and so did the Federal Steel Company.

"Q. In what territories, respectively, did they sell their products chiefly!

"A. As I said, the Federal sold mostly in a circle of which Chicago would be the center. The Carnegie sold theirs in a circle of which Pittsburgh would be the center.

"Q. What was the difficulty in trading over an extensive territory!

"A. If the Carnegie shipped west of Chicago, of course they made a very great sacrifice in freights; and if the Federal shipped east of Pittsburgh, of course they made a very great sacrifice in freights."

It will thus be seen that here was a complete outline of a manufacturing plan which, if carried out, enabled the Federal Company to integrate from ore to varied finished products, and this not only in the Chicago district but, through the acquisition of the Carnegie Company, through the Pittsburgh district as well, and through this latter district to reach the foreign markets, which it was powerless to reach from its own district, and through acquisition of the finish-

ing mills held by the tube, the sheet, the wire, and bridge companies, to obtain the varied product facilities by which alone successful foreign trade could be built up. The testimony of Robert Bacon also shows that the whole plan turned on the possibility and advisability of the Federal buying the Carnegie Company, and if that could be effected, that certain other units should be
517 bought to provide adequate finishing plants. Thus, referring to a meeting of the Federal directors, held to consider the offer Mr. Carnegie made, Mr. Bacon (vol. 14, p. 5479) testified:

"Q. Were any steps taken to get the views of the other Federal directors that day or later?

"A. Yes. We succeeded in getting them in New York the next morning, with the exception of Mr. Marshall Field, with whom we communicated over the long-distance telephone, so that the next day we had, I believe, the opinion of all the Federal directors.

"Q. How long did they remain together on Monday—the Federal directors, I mean, whom you assembled?

"A. Nearly all day, at different times.

"Q. Was a conclusion reached that day with reference to the Carnegie offer—I mean as to whether it was wise to accept it or not?

"A. My recollection is that, although it was very difficult to persuade some of the gentlemen, a conclusion was reached in principle in the afternoon.

"Q. Was there any discussion that day as to how the thing might be financed?

"A. No discussion as to details.

"Q. I do not mean detail at all.

"A. But naturally, the supposition was that it would be financed by J. P. Morgan & Company.

"Q. Do you remember whether Mr. Morgan said anything on that subject to his associate directors—as to whether he was willing to undertake it, I mean?

"A. Yes: my recollection is that in a very few words Mr.
518 Morgan finally, after having heard our opinion, said that if they approved and substantiated the estimates in a general way of the business and its probable success, that he would undertake to finance it.

"Q. Was there any talk that day as to what, if any, other concerns should be taken over?

"A. Yes: it was believed by all the men present, the directors of the Federal Steel Company, that if the Carnegie was purchased, other units should be purchased as well.

"Q. And were the other units talked of and considered?

"A. Yes; they were all considered.

"Q. And upon what principle were they chosen?

"A. Upon what principle were they chosen? I should say upon the principle of furnishing each an essential part of a completed whole; a new company which should manufacture all kinds of iron and steel products, owning its raw materials, facilities for transpor-

tation of raw materials to the mills and finishing plants. I think that was the basis upon which each one of these elements was considered, and of course the price at which they could be acquired, based upon their actual value.

"Q. Was any arrangement made on that day, or shortly thereafter, for opening negotiations with the owners of the various plants that were talked of?

"A. Yes. I think it was determined that day to go right ahead and see if they could be bought upon a satisfactory basis.

"Q. Who was entrusted with the negotiations, if you remember?

"A. I think that J. P. Morgan & Company bore the brunt of it.

* * * * * * *

519 "Q. What was said by the gentlemen present with respect to the objects to be attained by the organization? * * *

"A. It was said by all those gentlemen present, and I knew it to be their opinion, having been so closely associated with them for many years, that the object to be attained was the creation of a great new steel company, based upon the Federal Steel Company, which would be able by the ownership of its raw materials, by all legitimate means of rail and lake transportation, and by the ownership of finishing mills of all descriptions, both in the East and West, to create a plant which should be able to manufacture every kind of iron and steel, and by reason largely of its ability, to reduce the cost of production and the territorial distribution of its plants and activities, sell its products to the best advantage in every market in the world. I know that to be the object of those men that formed the United States Steel Corporation.

* * * * * * *

"A. Mr. Morgan believed that if he could take part in the formation of such a company it would be the greatest, the crowning achievement of his business career. He believed that the effect of such a creation would be upon the whole industrial fabric, the industrial life of this country, of tremendous beneficial effect, convinced as he was by Brother Schwab and the other experts that almost inconceivable results could be obtained in the way of lowering cost of production of iron and steel, that such a company would bring more good into our whole national life, constituting as it did the
520 greatest single factor in the great constructive work of the country, than could possibly be attained in any other way. His first great object was, as I have said, by reason of the decrease in cost of production, to make it possible to so improve the conditions of labor by increasing wages and bettering the conditions, and, by enabling the consumer always to depend upon stability of prices, to bring about a new condition of things. Those, briefly, were the ideals and ambitions of Mr. Morgan in forming the United States Steel Company.

* * * * * * *

"It was said by all those gentlemen present, I believe all of them: I know by Mr. Morgan that under no consideration would he take part in anything which was or might be considered to be a monopoly or any attempt to restrain competition. I know that that was one thing furtherest from his willingness to participate in."

Referring to this meeting, Judge Gary (vol. 12, pp. 4732–4733) says:

"Q. Now, what were the subjects considered by your gentlemen directors of the Federal, or owners of the Federal, at that time, and on account of which, or after considering which, you reached the resolution you mentioned?

"A. The question of securing the Carnegie properties, with their ore reserves, which contained a class and character of ore in large quantities which the Federal or Minnesota Iron did not have, particularly their mills for diversified products, their location and
521 their organization, which was believed to be a very good one, and, if possible, the acquisition of other companies owning finishing mills, in order to diversify the product, including the Wire Company, which had been offered to us a number of times, and for the purpose, as I have said, of completing a rounded-out proposition for the development of the business, extension of the business, manufacturing at lowest cost, and, particularly, increasing the extent of export business."

And (vol. 12, p. 4751) he adds:

"You see, in this whole plan, Mr. Lindabury, there was an effort made to acquire properties that would be useful to each other, and by that I mean to acquire a plant that furnished certain commodities to another plant which we were acquiring, and to acquire the latter plant because it could, at good advantage, secure the products which it needed for its uses, and so all through the line, from the ore down to the conversion from one product into another, and the final distribution of the finished product."

These proofs certainly tend to show that the practical manufacturing question of rounding out, or integrating, the Federal Company, by acquiring finishing companies, was one of the objects its directors had in view at this meeting. The proofs also show that these several finishing mills were consumers of such basic products as were made by the Federal and the Carnegie, and that those two companies had no such finishing mills of their own as were adequate to consume the product they made which was suitable for such mills. Without entering into the details of the proof, bearing on these several finishing companies (all of which together with the comments
522 thereon, are to be found in the defendant's statement of the case, page 63, and following) we may say they fairly show that without the acquisition of each of the finishing companies named, viz, the American Steel & Wire, the National Tube, the American Bridge, the American Steel Hoop, the American Sheet Steel, the Federal Steel Company, even with the acquisition of the Carnegie, would not have been provided with adequate finishing facilities for consuming its subbasic products. And further, without the acquisi-

tion of the first three, the Federal would lack several of the most important products (Defte. Ex., vol. 2, p. 204) that have entered into the foreign trade built up by the United States Steel Products Company. It will also be noted that in addition to the affirmative testimony quoted above, tending to show the integration along manufacturing lines, and development of foreign trade, were among the avowed purposes of those who formed the Steel Corporation, there is the negative testimony of those who took part in forming the Steel Corporation, and quoted below, that monopoly of the steel and iron business was not the purpose for which that corporation was formed. In passing on that question, several things shown by the proofs are to be noted.

First. That with the competition left outside of the Steel Company, the extent of which has already been shown, a monopoly of the steel and iron business of the United States was simply impossible, and that no effort was made to secure those companies (vol. 12, pp. 4756–7).

Second. That in view of the fact that the proportionate volume of competitive business has increased since the Steel Company was formed, and that the proofs show no attempt by it to monopo-
523 lize it to the exclusion of its competitors, to now attribute to those who formed the Corporation an intended monopolization, would be to say that, having formed the Corporation for the purpose of monopoly, they immediately abandoned such purpose and made no effort to accomplish it.

Third. That the publicity, which the proofs (vol. 14, p. 5669, 5585) show the Steel Company has from time to time made of its prices, its accounts, and its policies would seem a practice in line with legitimate business, rather than with illegal monopolization.

Fourth. That in carrying out the plan the advice of Abraham S. Hewitt was (vol. 14, p. 5484) taken by Mr. Morgan and at the latter's request Mr. Hewitt went on the board and served until his death, is a fact which, in view of the high character of Abraham S. Hewitt, tends to negative the contention that the purpose in view was to violate the law.

And lastly, as stated above, there is affirmative testimony that no such object was in view. In that regard, the testimony of Robert Bacon (vol. 14, pp. 5485–6–7) is not to be overlooked. His services as Secretary of State under one administration, as minister to France under another, coupled with his selection on his retirement from business to positions of educational character, warrant this court in attributing weight to his testimony. The testimony of Judge James H. Reed (vol. 14, p. 5663), of Judge Gary (vol. 12, pp. 4753–5, and Charles M. Schwab is to the same effect. The latter (vol. 11, p. 4175) says: "From the moment when I first started my conversation with Mr. Morgan the question of our gaining a monopoly, or in any way controlling the steel industry, was never mentioned. My
524 whole argument with him, as advocating this company, was the economic development of the same, and the matter, to the

best of my knowledge, never came up thereafter." And in this connection it is to be noted that the proofs show that the Carnegie Company and the finishing companies which the Steel Company acquired in 1901, were formed at various times from 1898 to 1900; that (vol. 12, p. 5754) these particular companies (vol. 28, p. 11759) were made the subject of congressional investigation; that no steps were taken by the Government to dissolve such companies for the thirteen years following the formation of the earliest of these companies and eleven years from the latest until 1911; that the Steel Company was also in 1905 made the subject of further congressional investigation, and that no steps were taken to dissolve it until this bill was filed.

Recurring therefore to the particular question with which this particular part of this opinion deals, namely, whether we should now enter a decree dissolving the Steel Corporation on the ground of its original, inherent, illegal character in 1901, and whether we should also dissolve the several constituent companies it acquired on the like ground of their original inherent illegal character when they were formed, we think there is ground for our holding, in view of the facts, proofs, and views above set forth, that we are not as a court of equity warranted in taking such a drastic course as to now decree the dissolution of the Steel Corporation or its constituent companies.

We are, however, pointed to the subsequent acquisition by the Steel Company of several properties as being attempted monopoly or restraint of trade, and as evidencing an original purpose to
525 monopolize and restrain. The first of such was in August, 1901, when the Steel Company bought the Shelby Steel Tube Company. Whatever may have been its motive at the outset, it is clear the purchase effected neither monopoly or restraint of trade, for we have already seen that while, even with the acquisition of this company, the Steel Company's output of seamless tube during the ten years of its existence has doubled; during the same period its competitors' sales have grown sevenfold. In the light of such figures and facts, we are of opinion that the acquisition was simply in the due course of normal business and indeed was but the virtual carrying out of integration plans of the Carnegie Steel Company that long antedated the formation of the Steel Company. Without entering into minor details, we may say that no proof of monopoly or trade restraint was shown beyond the conceded fact of purchase, and the fact that the new article of seamless tubing was in some uses supplanting lapweld. We have examined, among others, the testimony found in Government Exhibits, vol. 2, pp. 405–411–560–562; Government Exhibits, vol. 14, p. 2902–2823; vol. 11, pp. 4198–9; vol. 13, pp. 5237–5260; vol. 17, p. 7940; vol. 13, pp. 5076–5089; vol. 12, p. 4803; vol. 13, p. 4986; Delaware v. Shelby, 160 Fed. Rep. 928; Shelby v. Delaware, 151 Fed. Rep. 64; Delaware v. Shelby, 212 U. S. 580; Defendant's Exhibit No. 31, vol. 1, p. 166, and therefrom, without entering into details, we deduce these conclusions. The old type of tubing was called "lapweld," and made by the National Tube Com-

pany. The Shelby Company made a different article called "seamless" tube. While in some ways lapweld and seamless were in competition, yet their main uses (vol. 13, p. 5803) were not the
526 same. The Shelby Company held a basic patent involving the piercing, at an early stage, of the billet from which the seamless tube was drawn. Before the purchase of the Carnegie Steel Company by the United States Steel Corporation, the former company, in pursuance of its purpose to enter the pipe business, was carrying on some experimental work in seamless tube making at the Shelby Company's plants, and its management had become convinced that the Shelby method was the proper one. Meanwhile the National Company had also determined to enter the seamless tube field, and to that end had bought the Standard Company. The latter made seamless tube under a patent granted to two former employees of the Shelby Company. Its business in the seamless tube was (vol. 13, p. 5083) very small, and it had (vol. 19, p. 7940) previously tried to consolidate with the Shelby Company. Much patent litigation had resulted, the National Company carrying on the contest for the Standard Company. When the Steel Company was formed two divergent views were thus presented by the managements of two of its units. The National Tube, represented by Mr. Converse (vol. 13, pp. 5243–4), contended the Standard's process and machinery was the proper mode of seamless tube making. The Carnegie Company, represented by its president, contended the Shelby method was the proper one. The determination of the matter seems to have been made by two directors of the Steel Company who had taken no part in the contest between the National Tube Company and the Carnegie Steel Company. Their testimony (vol. 13, p. 4986, and vol. 12, p. 4803) is that they became convinced that the patent of the
527 Shelby Company controlled the situation. That company would only sell its patent, however (vol. 12, p. 4805) if the Steel Company also bought its plant. Such purchase the Steel Company made in order to get the patent. In view of the fact that the Shelby patent has been sustained by the courts, that the Steel Company on its purchase abandoned the machinery used by the Standard Company, and has since manufactured under the Shelby process, we are satisfied that the acquisition of that company was an ordinary purchase and had no other purpose than to acquire and use the legal monopoly which the Shelby Company had obtained from the Government by its patent. And a purpose to restrain and monopolize the pipe business is negatived by the fact that no monopoly has resulted and that pipe (vol. 11, p. 4481) sells for $20.00 a ton less than when the Steel Company was formed.

The next matter in the line of alleged monopoly and trade restraint was the purchase by the Steel Corporation of the Union Steel Company, in December, 1902. The testimony bearing on that question on the part of the Government will be found at volume 3, pages 1086 to 1137; vol. 5, pages 1997 to 2009, vol. 6, pages 2141 to

2218; Government exhibits, vol. 4, page 1583, 1574; vol. 5, page 1883; and on the part of the Steel Company, in volume 14, page 5666; vol. 12, p. 4086 to 4810; vol. 10, pages 4037 and 4038. Without here discussing the testimony on the part of the Steel Company, we may say that the proofs on the part of the Government show that this sale was not made with any purpose of monopoly or trade restraint. The Union Steel Company has merged with the
528 Sharon Steel Company, John Stevenson, jr., who was the practical man in the Sharon Company, testified that such competition as there was between those companies and the defendant Steel Company was fair: "I liked the competition. If you are bound to have competition, theirs was good competition." He said he sold out his interests in the Union Company because he needed the money; that he had put more money into the enterprise than he owned and was hard up; that the effort to sell came from his company; that the sale was made on fair terms, cost, and accrued profits. Their ore holdings were very valuable, had been definitely ascertained by spot borings, were owned in fee, and were sold in place at a price based on the common ore royalty. He says that at the time of the sale the Union was only one of a number of competitors, all of whom were flourishing and doing an increased business, such as the Pennsylvania, Cambria, Bethlehem, Lackawanna, the Republic, and Jones and Laughlin. That his company's business, with relation to the country's total production, was less than 2%, and that the Steel Company's percentage had decreased, and its competitors' percentage had increased during that time. The testimony of Mr. Whitla, one of Stevenson's associates, is to the same effect, namely, that the competition of the Steel Company was fair, and that the business of the Union Company had grown to such an extent as to interfere with his own and some of his associates. That the sale was made at a fair price when the opportunity came to withdraw. To the same effect is the testimony of W. H. Donner. He started the Union Steel Company, was its practical man, and after the sale reentered
529 the steel business as president of the Cambria Steel Company, one of the principal competitors of the Steel Company. He says the Union Company, after its merger with the Sharon, had large ore reserves of very desirable quality; that they had valuable Lake frontage harbor lands; fine coking coal reserves; that they had large open-hearth facilities (vol. 12, p. 4806), in which the Carnegie Company was short. That they also had finishing mills, in which the American Steel & Wire Company were short and which it needed (vol. 12, p. 4807; vol. 10, p. 4037) in foreign trade; that these finishing mills were adapted to using Bessemer steel, with which steel the Carnegie Company was oversupplied; that the Carnegie Company (the Steel Company's subsidiary) had an overcapacity of Bessemer and an undercapacity of open-hearth, is conclusively shown by the subsequent integration of the Steel Corporation at Braddock (in the same district as the Union), where $11,000,000

was required in open-hearth extensions. In that regard the proof (Farrell, vol. 10, p. 4077) is:

"We are building at Pittsburgh a new steel works, a rail mill at Braddock, Pennsylvania, with a capacity of 75,000 tons a year of open-hearth steel. That is to take up the rail business. This Bessemer equipment is obsolete; that is, the equipment is just as good as new, but the demand does not exist, so consequently we can not employ it, and it necessitates producing steel that is required by the buyers. We are spending there about $11,000,000."

Donner says the movement to sell came from the Union Company and not from the Steel Company. That he knows the Steel
530 Corporation people were at first opposed to buying and only changed their minds when shown how the Union would supply, as above stated, the features in which the former was short. That in order to induce the Steel Corporation to buy, the Union Company was obliged to cut down their ore prices a million and a half dollars below what these properties had been valued at when his company and the Sharon merged. That of the four men in the original Union Company, he was in favor of selling in order to get out of debt; one of his associates was very anxious to sell and, in fact, brought about the sale because he was in an embarrassing position, because his connection with both the Union Company and the Steel Company prevented him from taking part in the affairs of either. That his other two partners were opposed to selling and only acceded to it on account of their personal relations to the partner who desired the sale. Without here detailing the defendant's testimony at length, which we may say corroborates the foregoing, we are of opinion that the purchase of the Union Company was a natural and normal acquisition incident to the growth, increase, and needs of the Steel Corporation's business, and was not done with a view to monopolizing the steel business or to restrain trade by eliminating competition. And we may say that this conclusion is in accord with the subsequent acts of the Steel Corporation. The proofs show (vol. 10, p. 4037) that some two and a quarter million dollars was spent by the Steel Corporation to further increase the Union wire plants and meet the needs of the corporation's foreign business. The whole wire capacity of the Union's wire plants (vol. 10, p. 3845) is now being operated to the capacity of 83,000 tons of wire for foreign trade as against
531 8,000 when it was bought. In connection with the work of these finishing mills, about a million and a half dollars were spent in open-hearth construction by which the finishing mills and furnaces—blast and open-hearth—were integrated into a continuous process. Indeed, the need of this plant to carry out the general unification problem of the Steel Company is shown by the fact (Donner, vol. 6, p. 2185) that subsequent to its purchase of the Union Steel Company the Steel Corporation spent nearly $7,000,000 in extensions in view by the Union and $10,000,000 in extensions planned after the purchase.

We next turn to the acquisition in May, 1904, of the Clairton Steel Company. The Crucible Steel Company was engaged in the manufacture of tool and the finer grades of steel (vol. 13, p. 4953) which the Steel Corporation did not make. In the spirit of complete integration which swept over the steel trade, the Crucible Company, as the sequel clearly shows, had in 1902, mistakenly—through the Clairton Company, whose stock it owned—gone into ore ownership, furnace open-hearth, bloom, billet, and slab integration on a scale far beyond its own requirements. In January, 1904, the Clairton Company had become insolvent and passed (vol. 5, p. 2059; vol. 14, p. 5669) into the hands of a receiver. The proofs (Gov. Ex., vol. 2, p. 599; vol. 14, p. 5587; vol. 12, p. 4814; vol. 13, p. 5236) show that several efforts had previously been made by the Crucible Steel Company to sell the Clairton Company to the Steel Corporation. That company declined to purchase. After the receivership the negotiations were resumed with it and other interests (vol. 5, p. 2061) and the property sold to the Steel Company with the permission (vol. 5, p. 2061) of the court at $4,000,000 below cost. Clairton had a pig-iron
532 capacity of some 420,000 tons. It had (vol. 12, p. 4814, and vol. 13, p. 5236), through its type of furnace construction, been able for the first time to make pig iron from Messaba ores without any mixture of old range ores. In connection with this sale it should be here stated as a matter of which this court can not but take judicial notice, that the receivership of the Clairton Company and the sale of its property, was under the direction of one of the judges now sitting in this case. That the bonds of the insolvent company were guaranteed by the Crucible Company, that while the latter company was and has since been prosperous, the guaranty by it of the Clairton Company's bonds seriously threatened not only the stockholders of the Crucible Company, as testified to in this case (vol. 14, p. 5669), but grave financial troubles in the community. To avoid these the receivers, under the direction of the court and in cooperation with the officers of the Crucible Company, sought to have the Steel Company buy this plant and thus relieve the Crucible Company of its large and threatening collateral liability.

The next of these acquisitions by the Steel Company, which it is alleged was made to monopolize or restrain trade, is known as the Great Northern ore lease, which was a lease on royalty of some thirty-nine thousand acres of Lake Superior ore lands, in August, 1907. This lease provided for the payment of a minimum royalty of 750,000 tons to be mined in 1907, 1,500,000 tons in 1908, and an increase of 750,000 tons each year until 8,250,000 tons was reached in 1917. That yearly amount was then to be taken out until the lease ended in fifty years. The royalty was, using round figures, $1.17 per ton on 49% ore; $1.21 on 50%, and $1.98 on 66% ore, with
533 an increase of 3.4 cents per each year on all grades. The lease provided the Steel Company had the option to cancel it, as of January 1st, 1915. During that time the lessee had full rights to test the premises. In pursuance of such right of cancellation, the

Steel Company, early in 1911 and prior to the filing of this petition, gave notice of cancellation, in pursuance of which the lease was subsequently surrendered. It will thus appear that whatever effect the leasing and continued control of this ore on the fact of the monopolization of ore reserves may originally have had, the surrender of the lease lessened the ore holdings of the company to a point far below any possibility of monopolization. A discussion by us of the question of the possible effect of this lease as giving monopolistic control would be problematical, and the uncertain character of any conclusion is best emphasized by the essentially different status of the ore business now and when this lease was made. This is due to the subsequent development of other fields and to the fact that ores which a few years ago were looked upon as not usable, can now be used under new methods. Moreover, the facts cited in the former part of this opinion in reference to the ore supplies of the competitors of the Steel Corporation, show not only that several of these large companies have a reserve for more years than the Steel Corporation; that the seaboard companies are wholly independent of the Lake Superior regions; and that the Steel Corporation's competitors have from time to time been able to acquire all additional ore reserves desired. In addition to this, we have the fact of large holdings by mining companies who sell ore and who have been compelled (vol. 16, p. 6548 and 6544), to integrate into blast fur-
534 naces in order to dispose of it. The proofs of experienced witnesses (vol. 16, p. 6232; vol. 17, p. 7012) are that adequate ore reserves could be had by new companies. In view of these facts and proofs and of the fact that the option to cancel the ore lease here in question had been exercised when the present petition was filed, it would seem that the ore reserve of the Steel Corporation held at that time gave it no monopoly in ore. Such being the case, the ore lands in question having reverted to the owners, they and such defendants as were made parties to this cause by virtue of their relation to the acquisition of such ore lands, appear to have no further part in this cause. So far as they are concerned, the petition will be dismissed.

We shall next consider the purchase by the Steel Company of the Tennessee Coal & Iron Company, which was made in November, 1907. On the one hand, it is alleged the Tennessee Company was a competitor of great power, and that its purchase was for the purpose of suppressing competition and effecting monopoly and restraint of trade. On the other hand, it is contended that the competition of the Tennessee Company was of relatively small extent; that its purchase was practically forced upon the Steel Company as a means of averting a threatening financial crisis during the panic of 1907; and that such purchase neither did or tended to monopolize or restrain the steel and iron industry of the United States. Without here entering upon a detailed analysis of all the proofs we may say that we have specially studied, in addition to other proofs, the evidence produced by the Government and found at—Buell, vol. 1, pp. 15 to

34; Topping, vol. 2, pp. 643 to 671 and 686 to 718; Perin, vol. 2, pp. 792 to 982; same, vol. 3, pp. 983 to 997, also 1005 to 1008, also
535 1016 to 1019, also 1024–5; Government Exhibit No. 99, vol. 1, p. 242; Government Exhibit, vol. 2, pp. 488, 493, 510, and 544; Corey, vol. 8, pp. 2973 to 2975, also pp. 3045 to 3056; Grasty, vol. 8, pp. 3140 and 3153; Government Exhibit No. 341, vol. 8, p. 2132 (in that connection see Topping, vol. 2, pp. 706, 709, 712, 714, 716, and 755); also Government Exhibit, vol. 2 pp. 488, 492, 510; and also the testimony produced by the Steel Company, to wit, Filbert, vol. 14, pp. 5591 to 5593; Farrell, vol. 10, pp. 4018, 4020, 4021, 4024, 4028; Witherbee, vol. 18, pp. 7287 to 7290; Bowron, vol. 25, pp. 10415, 10431, 10440, 10442; also vol. 20, p. 10408; Crawford, vol. 16, pp. 6125 to 6178; Burr, vol. 27, pp. 11573 to 11588; King, vol. 25, pp. 10249 to 10260; Haas, vol. 20, p. 8316; Farrell, vol. 10, p. 3881—Defts.' Ex. No. 12, vol. 1, p. 138; bearing on the question of monopoly and trade restraint as contended for by the Government and have arrived at the following conclusions. At the time the Steel Company bought the Tennessee Company, the latter's production of iron and steel was 1.7% of the production of the country. That up to that time the Tennessee Company had not been a business success; that it was making rails, which was its principal steel product, at a loss; that its ultimate success was problematic; that such success involved an outlay of upwards of $25,000,000 to put it upon a dividend basis. That it had never really earned any dividends up to the time of its sale; that the whole testimony shows its relation as a successful, substantial competitor with the Steel Company in the volume of its business, the character of its product, and the breadth of its market was negligible. We are warranted by this testimony, and find the fact to be, that its purchase by the Steel Company in
536 no way tended to monopolize the steel and iron trade, and that it was not bought with the purpose or intent of monopolizing or attempting to monopolize or restrain that trade. Such negative conclusions and findings are confirmed by the affirmative proofs, showing just how the purchase was made, namely, as a necessary part of comprehensive plans of bankers and business men, sanctioned by President Roosevelt, to check the panic of 1907, which was then at its height. Without entering into details we may say the situation was summed up in the letter of President Roosevelt to Attorney General Bonaparte, found in Government Exhibit No. 339, vol. 7, p. 2125, as follows:

NOVEMBER 4TH, 1907.

MY DEAR MR. ATTORNEY GENERAL: Judge E. H. Gary and Mr. H. C. Frick, on behalf of the Steel Corporation, have just called upon me. They state that there is a certain business firm (the name of which I have not been told, but which is of real importance in New York business circles) which will undoubtedly fail this week if help is not given. Among its assets are a majority of the securities of the Tennessee Coal Company. Application has been urgently made to the Steel Corporation to purchase this stock as the only means of

avoiding a failure. Judge Gary and Mr. Frick inform me that as a mere business transaction they do not care to purchase the stock; that under ordinary circumstances they would not consider purchasing the stock because but little benefit will come to the Steel Corporation from the purchase; that they are aware that the purchase will be used as a handle for attack upon them on the ground
537 that they are striving to secure a monopoly of the business and prevent competition—not that this would represent what could honestly be said, but what might recklessly and untruthfully be said. They further inform me that as a matter of fact the policy of the company has been to decline to acquire more than sixty per cent of the steel properties and that this purpose has been persevered in for several years past, with the object of preventing these accusations, and as a matter of fact their proportion of steel properties has slightly decreased, so that it is below this sixty per cent, and the acquisition of the property in question will not raise it above sixty per cent. But they feel that it is immensely to their interest, as to the interest of every responsible business man, to try to prevent a panic and general industrial smash up at this time, and that they are willing to go into this transaction, which they would not otherwise go into, because it seems the opinion of those best fitted to express judgment in New York that it will be an important factor in preventing a break that might be ruinous; and that this has been urged upon them by the combination of the most responsible bankers in New York, who are now thus engaged in endeavoring to save the situation. But they assert they did not wish to do this if I stated that it ought not to be done. I answered that while, of course, I could not advise them to take the action proposed, I felt it no public duty of mine to interpose any objection.

Sincerely, yours,

THEODORE ROOSEVELT.

538 When called by the Government as a witness, President Roosevelt (vol. 8, pp. 2903 to 2908) testified as to this letter as follows:

"I was dealing with a panic, and a situation where not merely 24 hours, but one hour, might cause widespread disaster to the public. * * *

"I ought to say that from New York I had been told by banker after banker that the Tennessee Coal & Iron securities were valueless as securities that counted in that panic. * * *

"There were two matters to which my attention was especially directed. One was the condition of things in New York, the relief that the action would bring, not merely to New York, but throughout the entire country—just as much in Louisiana and Minnesota and California as in New York. That was one thing. The other thing to which my attention was particularly directed was the percentage of holdings that the Steel Corporation had, and had had

and would have after the Tennessee Coal & Iron properties were acquired. * * *

"The knowledge that I had was that the Steel Corporation had some years previously possessed nearly sixty per cent of the holdings of the steel industry in the country; that its percentage had shrunk steadily; that the addition of the Tennessee Coal & Iron Company, which was something on the nature of four per cent, somewhere between two and four per cent. I have forgotten the exact amount, somewhere around there, did not bring up the percentage of holdings of the Steel Corporation to what it had been a few years previously. * * *

539 "My knowledge was simply this, that it was a matter of general opinion among experts that the Tennessee Coal & Iron people had a property which was almost worthless in their hands, nearly worthless to them, nearly worthless to the communities in which it was situated, and entirely worthless to any financial institution that had the securities the minute that any panic came, and that the only way to give value to it was to put it in the hands of people whose possession of it would be a guarantee that there was value to it. * * *

"I believed at the time that the facts in the case were as represented to me on behalf of the Steel Corporation, and my further knowledge has convinced me that this was true. I believed at the time that the representatives of the Steel Corporation told me the truth as to the change that would be worked in the percentage of the business which the proposed acquisition would give the Steel Corporation; and further inquiry has confirmed me that they did so. I was not misled. The representatives of the Steel Corporation told me the truth as to what the effect of the action at that time would be, and any statement that I was misled, or that the representatives of the Steel Corporation did not thus tell me the truth as to the facts of the case, is itself not in accordance with the truth."

An examination of the testimony, viz, letter of the Attorney General of the United States of November 4th, cited by the President, vol. 8, p. 2907; Gary, vol. 12, pp. 4834 to 4866; Tierney, vol. 4,
540 pp. 1559 to 1587; Thorne, vol. 3, p. 1276; Topping, vol. 2, p. 695; Corey, vol. 8, p. 3052 and 3054; Gayley, vol. 9, p. 3618; Ledyard, vol. 15, pp. 6065 to 6114, shows that the matter was as stated by the President and that the Steel Corporation's chairman absolutely refused to purchase (vol. 12, p. 4854) unless the matter was submitted to the Government authorities, his testimony in that regard being—

"While the President of the United States could not say that we might purchase this, or that we should not purchase this property, yet I believed, inasmuch as he had the general direction of the law department of the United States, certainly we ought to know what would be the attitude of the administration in case we did buy this property."

Indeed, as to this purchase as well as the others which we have discussed above, sales made under different circumstances and for various reasons, we can not but feel in the light of the proofs that they were made in fair business course, and were, to use the language of the Supreme Court in the Standard Oil case, "The honest exertion of one's right to contract for his own benefit, unaccompanied by a wrongful motive to injure others."

It is strongly urged that the fact that standard Bessemer steel rails have for a long series of years, covering indeed the whole life of the Steel Corporation, been sold at the uniform price of $28.00 per ton, shows some controlling influence, and, in connection with the proofs, evidences the existence of a combination among all rail mills, including the Steel Corporation, to control the price. Generally speaking, railroad rails are as to their basic character either Bessemer or open-hearth. Bessemer was the earlier develop-
541 ment, and of this type is the standard Bessemer rail which kept the above uniform price. The proofs show (vol. 10, p. 4049) that about thirty per cent of the rails sold are of this kind, the consumption having fallen (Defendant's Exhibit, vol. 3, p. 323–4) from 99.9% in 1901, to 33% in 1912. As we have said, the proofs show that these standard Bessemer rails have been almost uniformly sold at $28.00, though there is some proof (vol. 26, p. 10942) that they or at times sold for less. The open-hearth rail is a later development; it has largely superseded the standard Bessemer, constituting (vol. 10, p. 4051) 60% of the rail product. It ordinarily sells (vol. 10, pp. 4960 and 4050) at from $1.50 to $2.00 per gross ton higher than the Bessemer standard rails, and the price of such open-hearth rails varies (vol. 13, p. 4050) "because many open-hearth rails are made to special analysis; the chemical composition is different, due to the fact that some railroads insist upon greater physical tests than others, which, of course, while the open-hearth process is the basic operation, nevertheless we call them different qualities of rails." The other ten per cent of rails consists of alloy or electric rails, the cost of making which (vol. 10, p. 4051) is $40 per ton; nickel-alloy rails, which vary (vol. 10, p. 4051) from $34.00 to $60.00 per ton; and manganese, which sell from $100 to $130 per ton, depending on chemical analysis, they being especially made to serve for work on curves, under the shade of bridges, and other such trying places. It will thus be seen there is a wide variation in the character and price of the great bulk, namely, of seventy per cent of the country's rail product, and that the standard Bessemer rails, which, it is alleged, evidence price control, are in fact but 30% of
542 the total rail consumption. The testimony (vol. 13, p. 4959) throws some light on the uniform price on this remaining 30% of the standard Bessemer rails, namely, that $28.00 a ton is a foundation price from which the price of other rails, varying in specification and chemical requirements, can be figured. Another cause of price uniformity in rails the proof (vol. 13, p. 4960) shows is due to the change about 1900 in reference to freights; "prior to

1900 there was an opportunity to bargain for transportation, which was at no definite, fixed price. Since 1900, by Government regulation, railroads can no longer trade in transportation at varying figures." The extent to which special freight rates in the sale of rails prior to 1900 is illustrated by the incident elsewhere referred to, where the proofs (vol. 10, p. 3882) show that a special freight rate of 45 cents led to sales of rails being made from Chicago to Japan. The proofs also show that the real potential control over the price of rails is rather in the buyers than the makers of rails. Reflection will show why this is so. Freight rebating being out of the question, the price of a rail becomes purely a manufacturing question. A railroad is not compelled to buy its rails at once. It can defer its purchases, and the proof is that when a large railroad like the Pennsylvania (vol. 13, p. 4958) or the New York Central (vol. 12, p. 4910) gives an initial order to one rail company, that sets the price of rails for other rail companies. At the argument of this case, in response to inquiries by the court, it was stated that the Pennsylvania Railroad was a large stockholder in the Pennsylvania Steel Company, to which company reference was made in the first part of this opinion. Such being the case, it would seem as a business proposition that that railroad would be quite independent of any ex-
543 action in rail prices. And the fact and significance of this independence may be well connected with the proof that in the previous era of destructive rail price cutting there had been by means of such price cutting an intent to drive the Pennsylvania out of business, and that company had been forced into a receivership. But whatever may have been the rail-pool practices prior to the formation of the Steel Corporation, and in the earlier years following its formation, to restrain or obstruct the rail trade, the proof in this case shows that in 1900 a new method of rail buying was begun and was for some years prior to the filing of this bill prevailing between the railroads and the five or six companies that make rails. In that regard Percival Roberts, jr., who was a director of the Pennsylvania Railroad, testified (vol. 13, p. 4957):

"During the presidency of Mr. Cassatt of the Pennsylvania Railroad, about the year 1900, he inaugurated a system for the Pennsylvania Railroad of making his purchases yearly at about the end of each calendar year for the succeeding one, and also proportioning his orders among the various rail mills, somewhat along the lines of their respective freight tonnages (see vol. 10, p. 3996); not exactly accurately in regard to the latter point. This was done partially from the fact that they established a system of yearly budgets for their ensuing year's work, and they did it for the reason that they desired as far as possible to give uniform treatment to manufacturers along the lines of their road. Prior to that time purchases of rails were made from time to time as requirements might warrant; many of the other leading railroads of the country, upon the inaugura-
544 tion of this policy, pursued the same, so that from that period on rails have usually been bought within a very few months

covering the entire subsequent year. This is a distinct change from the method of handling this business prior to 1900."

The practical working out of this plan is shown in the proofs (vol. 13, p. 4050) and discloses the fact that while the standard Bessemer rail still keeps to a standard price, there is a difference in non-Bessemer, which latter rails, with alloys, nickel, and manganese rails, constitute 70% of the product. These non-Bessemer open-hearth rails "are made to special analysis, the chemical composition is different, due to the fact that some railroads insist upon greater physical tests than others, which, of course, while the open-hearth process is the basic operation, nevertheless we call them different qualities of rails."

In describing the method of arriving at the rail price of the four different years of 1910, 1911, 1912, and 1913, Mr. Farrell, president of the Steel Company, and Mr. McCrea, president of the Pennsylvania Railroad, themselves fixed the price for the special rails sold to that company. The former (vol. 10, p. 4052) says:

"Most of the large trunk lines have their own specification. The Pennsylvania Railroad Company, for example, buy about 250,000 to 300,000 a year. They have their own rail specifications prepared by their engineer. We charge them for their rails $30.55 a ton, which we consider a fair price for rails of that specification. * * * We tried to get a little more. In this instance we figured those
545 rails ought to net us $30.85 a ton, but Mr. McCrea talked to me about the thing and said, 'Now, I think that we might shade this a little bit,' so that finally it was just a question of merchandising, two people sitting down and trading across the table, the seller getting the best price he could and the buyer getting the best price he could, and we received $30.55. We make these special qualities of rails for a great many people."

It will also be seen from other proof (vol. 11, p. 4145; vol. 26, p. 10834) that the fact of a rail mill being situate on the line of a railroad is naturally a large element in securing it as a rail buyer. Indeed, a study of the testimony—from which we refer to Shook, vol. 25, p. 10491; Welborn, vol. 26, p. 10937; Schwab, vol. 11, p. 4162, 4327, 4387; Smith, vol. 19, p. 7940—satisfies us that whatever may have been the practices of rail pools, combinations, etc., prior to 1900, and during possibly some of the earlier years of the Steel Corporation, the dealings between the railroads and the rail-making companies has been of later years on a competitive basis, individual railroads dealing with individual companies. The policy of the Pennsylvania Railroad Company of distributing the railroad's annual requirements on the basis of the freight furnished by each mill would seem to have put an end to the trade wars between rail mills when rails were sold below cost (Roberts, vol. 13, p. 5015; Scranton, vol. 8, p. 3200) and companies were driven into or threatened with bankruptcy. The proof is explicit (vol. 11, p. 4162) that $28.00 has for years been accepted by the railroads as a fair base price for rails and that they have asked no reductions. There is no proof that such

price is unfair and the proof (vol. 11, p. 4165) is that the mill
546 cost of rails is from $22.00 to $23.00 per ton. The testimony of one large rail maker (vol. 11, p. 4162), that in his judgment rails are too low, has support from the fact testified to by the president of the Republic Iron & Steel Company, who says (vol. 28, p. 12002):

"Q. We quit manufacturing rails because there is no money in making them * * * (p. 12018). I came into the Republic Company in 1906, and we had, according to my recollection, 50,000 to 60,000 tons of rails on our books which I did not care to produce. I saw possibilities of making money on something else; so I replaced these contracts; in other words, I bought the rails from other producers, and satisfied my contracts, and changed the rail mill into a sheet and tin bar mill. That was in the early part of 1907, according to my recollection, or the latter part of 1906."

To the above manufacturing cost must be added overhead, interest, and depreciation. The general nature of the last item, particularly in the change from Bessemer (vol. 10, p. 3857) to open-hearth, we have already seen. The proofs (vol. 8, p. 3034) show that for several years the price of rails, $28.00, has been lower in this country than in France, Germany, Austria, Italy, and Russia. It will also be noted that the practice of rerolling rails, an industry that has lately sprung into existence (vol. 10, p. 4028) and grown to large proportions, enables railroads to have their old rails rerolled into lighter sections, has, in its simple mills, created another factor by which the railroads can protect themselves. It would seem, therefore, than on the whole, the weight of these proofs would tend to show that
547 at the date of the filing of this petition the price of $28.00 at which the standard Bessemer rail was selling, was not chargeable to the Steel Company as a violation by it of the statute here involved. Indeed, in connection with the continuance of this uniform price of $28.00 for standard Bessemer, rails which as quoted elsewhere in this opinion was testified (vol. 17, p. 7909) as being tacitly accepted and continued by the sales managers of different rail companies, we can readily see how rail manufacturers simply followed that basic price to prevent the ruinous rail wars of the past. In that regard one of them (vol. 11, p. 4387) testified:

"There is not a manufacturer of rails in the United States, I, for example, as a rail manufacturer, feel that if I were to vary that price of $28.00 for rails, which seems to have been recognized by all rail manufacturers as a fair price and giving a fair profit, if I were to vary that ten cents a ton I would precipitate a steel war, to use such a word or expression, that would result in ruining my works without any profit. Everybody by tacit and mutual understanding felt the same about that. * * * I would not vary the price of my rails under any circumstances, not if I knew it was to get 100,000 tons in orders, for the reason that my competitor next door would put the price down $1.00 a ton, or $0.50 a ton, even, and we would be in a position where we would be running without any profit at all."

Under all the evidence bearing on this subject we can not regard the uniform price of $28.00 as the general accepted price of a standard Bessemer rail evidences an unlawful restraint or control of price by the rail makers of the United States.

548 We take up next the subject of the "Gary dinners," which (as already stated) we have reserved for separate treatment. We use the term to cover a comparatively short period, beginning at an exceptional business situation and continuing until normal conditions were reestablished. These dinners—which were business meetings with a social aspect—began in November, 1907, and were held at irregular intervals during the next fifteen months, and perhaps a later date. We speak of a later date, because the Government understands the term to cover committee meetings also with some other gatherings, which were held infrequently until early in 1911. Probably it will be sufficient to say, that, whether the period was longer or shorter, the element that marks it calls for consideration now is what may be called the "cooperation" of the Steel Corporation with a large number of independent competitors, who, it will be noted are not made parties to this bill and who comprise some forty-five per cent of the steel and iron industry of the United States. This is the only instance of such cooperation, and the whole movement was exceptional. There is some dispute in the briefs concerning the essential characteristics of these meetings, but, in our opinion, the real facts appear with sufficient clearness.

We may begin the discussion by quoting the Government's concession in the original petition: "It is not here alleged that merely assembling and mutually exchanging information and declaration of purpose amount to an agreement or a combination in restraint of trade." With this concession we are in full accord. In these days every large business has it societies and associations, and these meet periodically to exchange information of all kinds, to compare

549 experiences, to take note of improvements in machinery or process, to discuss problems, and generally to profit by the interchange of ideas and the study of observed facts. When the business is manufacturing, of course all this has a direct bearing on the subject of prices, and these conferences may therefore consider that subject specifically. It is probably unusual, however, to find such a meeting making a declaration of intention to charge such and such prices, although a mere declaration to that effect could hardly be regarded as unlawful. Freedom of speech and freedom of individual action are justly prized in American society, and no legislation forbids men to come together and speak freely to each other about every detail of their common business. And if each individual should choose to announce at such a meeting the specific price he intends to charge for his wares, we are aware of no law that forbids him so to do. But at this point we approach debatable ground, for an individual is permitted to do some things that are denied to an association of individuals, and where at a meeting of many persons some action is taken whose legality is afterwards called in question, the

decision may be vitally affected by ascertaining the fact whether the action was really taken by each individual acting for himself, or whether those present were in fact pursuing a common object.

This country has always been committed to the principle of fair and real competition in business—the struggle between individuals to sell goods in a market free from artificial control or influence—and the Sherman Act merely repeats this principle when it condemns in the first section "every contract or combination in
550 restraint of trade." When, therefore, individuals or corporations make distinct contract with each other, either in the form of pools or other agreements, dividing territory, limiting output, or fixing prices, there can be no question about the illegality of such contracts. And it makes no difference whether or not the agreement attempts to fix a penalty for its breach. The essence of the offense is the agreement; the penalty is merely an incident; so that a so-called "gentlemen's agreement" to divide territory, etc., is quite as illegal as a formal pool with a formal penalty. In a gentlemen's agreement the sanction is the sense of honor, the moral obligation, the indefinite but real force that in some instances compels persons to keep their promises simply because they have promised.

But suppose what happens is this: A number of persons take no action about territory or output, their discussions being mainly concerned with the subject of prices; and suppose further that they refrain from making a definite formal agreement, and limit themselves to an understanding, a declaration of purpose, an announcement of intention—what, then, is to be said? Have they offended against the law? This question can not be answered until we know what the participants were really doing. It is not enough to rest upon the varying names that may be given to the transaction. It is of the utmost importance to know how these names are to be interpreted, and this is the crucial matter to be looked for in the present record. Fortunately we find no material dispute on this point, after we get below the mere surface of much that has been said by the witnesses.

551 The first Gary dinner was held in November, 1907, at a time of unusual financial danger, when the threat of a serious panic was still in the air, and when ruin to many important interests was by no means improbable. The meeting was attended by representatives of from 90% to 95% of the iron and steel trade—including the corporation and a large majority of its competitors—and the course of the meeting has been described by several of those in attendance. Charles M. Schwab, now president of the Bethlehem Steel Company (vol. 11, p. 4194), testified:

"The steel trade promised to become in a very demoralized condition. * * * Prices had gone very low. There was a very scant demand for steel. As I stated before, many people had their warehouses full of steel. When I say there was a demoralized condition, I mean people felt that the market was going to go very low, and

they were loaded with stocks. In general there was a very uneasy feeling throughout the whole situation. * * *

"Q. To what class was this situation—to what class, I mean, of persons interested in the steel industry was this situation—particularly threatful?

"A. To the people who had stocks; the merchants of steel, the sellers of steel, the retailers.

"Q. The middlemen or merchants; the retailers?

"A. Exactly, the warehousemen.

"Q. Were they especially loaded up at that time?

"A. They were."

* * * * * * *

(Vol. 11, p. 4195.)

"A. The keynote of the whole dinner was an address by
552 Judge Gary, or rather a talk to all the members there, with a view of their not becoming panic stricken; with a view of their not sacrificing the situation by too great a cut in prices and a precipitaton of bad business methods; that we ought to retain our heads and not become excited over a situation of that sort, and that we should calmly await the return of prosperity; that our usual pro rata of business would probably come to each one regardless of the price at which it was done; and that it was unwise business policy and bad for the industry and especially bad for the people who carried stocks to precipitate and make worse such a demoralized condition. That was the keynote of everything that was said at that dinner.

"Q. Was anything said about entering into an agreement, fixing prices, or output?

"A. Nothing whatever.

"Q. Were prices mentioned?

"A. Not at all.

"Q. Was any price of any product mentioned?

"A. No; not at all.

"Q. I mean a definite price for a definite product.

"A. It was not discussed at all.

"Q. Only a general talk along the line mentioned?

"A. Just a general talk along the lines indicated.

"Q. Was it voted to appoint a general committee or subcommittees at that meeting to study and take care of the situation?

"A. I do not know whether those committees were appointed at the first meeting or not, but they were ultimately, I know.
553 Committees were appointed of people in the various lines of industry, people familiar with that particular line of industry, to take up in detail the keynote expressed at the first dinner."

James A. Campbell, president of the Youngstown Sheet and Tube Company (vol. 5, p. 1853), says:

"Q. Now, Mr. Campbell, will you describe the conditions which existed when these meetings about which you have been questioned were begun?

"A. Prior to this first Gary dinner, in the fall of 1907, there was a money panic in New York, as they called it. Money was very tight and you could not get currency, and you could not get credit, and the conditions to the business man and to the banker were very grave at that time. Judge Gary called the leading manufacturers in the steel business together at a dinner, and afterwards that was named the Gary dinner.

"Q. Did the alarm as to these conditions exist among others than the manufacturers of steel and iron?

"A. Among everybody.

"Q. Was it felt by the banking interests throughout the country, by the small country banks as well as the big banks in New York City?

"A. Yes. We had $1,750,000 on deposit with our bankers in New York and Cleveland and Youngstown at the time and we were obliged to pay our men in clearing-house certificates rather than to try and draw that money out of the bank to pay them in cur-
554 rency. We felt we ought to assist the banks to that extent in securing the currency, as it was almost impossible at that time to make up pay rolls and pay in currency.

"Q. Then the condition of affairs which existed at that time was a menace, not merely to the manufacturers and the banks, but to the laboring man as well?

"A. To everybody; the laboring men and men in every class of business.

"Q. What were the conditions with respect to the jobbers, especially with respect to stocks on hand; were they in danger?

"A. The jobbers had quite large stocks. It had been a very prosperous year, the largest year up to that time that we had known, and all jobbers and all consumers, as far as we could learn, had very large stocks of material on hand.

"Q. And a sudden and great fall in the value of those stocks would have been a great financial harm to those jobbers and consumers?

"A. Put about one-half of them, I think, in the hands of receivers, and would have carried down banks and business houses generally, besides bankrupting most of the small manufacturers, if they had suffered similar depreciation with reference to their materials.

"Q. Were these conditions strong in the minds of you gentlemen when you commenced to meet as you have described?

"A. They were. Those were the days when we were lying awake nights. I think everybody was alive to the situation and everybody was alarmed.

"Q. Was there a desire on the part of you gentlemen meeting there to sink selfish interests for the general advantage in the situation?

555 "A. There was, yes; but it was a selfish interest after all. If we put our jobbers and consumers out of business they would not be able to pay us for the material they already had bought

from us. We all had large sums of money on our books, and nobody was in a position to pay anything at that time, and we were anxious to protect them, in order to protect ourselves. It was not unselfish entirely, but of course I think we were all broad enough to feel that we wanted to protect the general country for the general good, because it would have been a bad thing for us as well as anybody else if we had had a panic that would have carried with it wreck and ruin along its path.

"Q. Was the advantage hoped to be gained, if any was gained, that which followed these meetings, a great or greater to the independents as it was to the subsidiary companies of the United States Steel Corporation?

"A. I think it was greater to the independents, because I think it kept a number of them from going into the hands of receivers, and the corporation probably would not have failed, even though they had had serious losses.

* * * * * * *

"Q. Was not the purpose of those meetings to enable everyone present to form his opinion as to what was the best course to follow individually under the conditions which were found to exist, with a full knowledge of those conditions as given by all the other members present?

"A. It was."

Judge Gary, chairman of the Steel Corporation (vol. 12, pp. 4775 and 4887), testified:

556 "The trouble ordinarily with the purchaser of our commodities is that he is obliged to stock up, so to speak, he has on hand large stocks of goods which he has purchased at a certain price, and many times he has purchased those goods by borrowing money at the banks. Now, if a wide and sudden fluctuation comes, the inventory value of his stock on hand is immediately decreased accordingly, and he has a very severe loss, and his bank calls upon him for the payment of his loan, and he is unable to do it because he can not dispose of that stock at a reasonable price, or at a price which will return him the money he had invested. * * * Just to refer to the panic of 1907, we had repeated letters and repeated calls from people we were selling goods to, who had stocks on hand and who were not in a financial condition to survive if the demoralization which was threatened should become actual, asking us, so far as we could, to try and steady the market in order to prevent demoralization, which would bring great loss upon them, and in many cases absolute ruin.

* * * * * * *

"The meeting was held shortly after the beginning of the panic in 1907, after the worst has passed, but while the effect remained to a less extent. We were importuned, or I will say we were requested, in various ways, by various consumers, to do all we could to prevent demoralization in business. Many of our customers reported to us they had large stocks of goods on hand, and if the prices became

557 demoralized as they had in previous years there was great danger of loss to them, and perhaps failure. In those days particularly iron and steel were considered the barometers of trade, so to speak; that is, the market for steel largely affected all other business conditions. In conversation at different times with bankers and others I knew, the question was asked whether or not the steel business was going to pieces; whether we were liable to get into the conditions that had obtained previously. We were all in very great danger of demoralization. I believed if the iron and steel trade got into that condition the panic would be long continued and a great loss and injury would result, not only to the manufacturers of steel, but to everyone else who was interested in the manufacture of steel or dependent upon the manufacturers.

"I might add to that, we had on our books accounts receivable aggregating hundreds of millions of dollars, and, of course, an ordinary old-fashioned steel war meant destructive competition, the survival of the fittest, and ruin, or at least the temporary suspension of a great many people, and would result in great loss to us and loss to all other manufacturers, great hardship to our employees, and very serious injury to the business world in general. * * *

"I stated the purpose and object of the meeting were if possible to prevent the demoralization of business. I stated that the first object of the meeting was to secure a better acquaintance with each other, and come into close contact in order to know one another, hoping that we might deal with and towards one another as

558 gentlemen and not as enemies; that the purpose was, if possible, to prevent demoralization of business, to secure as far as practicable stability of business conditions as opposed to wide and sudden fluctuations, to prevent, if possible, failures on the part of our customers, and to comply with their wishes in every respect, to prevent if we could a long continuance of the panic, which meant failures to a great many people and manufacturers themselves because of their debts at the banks or because of their commitments for extensions, and to customers because of the large stocks they had on hand, the sudden change in the prices of which might be very damaging, and so far as we properly could to maintain or to assist in maintaining business conditions generally, the opposite of which should be deplored. I am giving you the substance of it (4894).

* * * * * * *

"I stated distinctly * * * at that time that, as they all understood, we could not make any agreement, express or implied, directly or indirectly, which bound us to maintain prices or restrict territory or output; it must leave us free to do as we pleased, and must rely upon the disposition of all others to do what they considered fair and right and for the best interest not only of themselves, but all others who had any interest in that or any other work. I made that perfectly plain" (p. 4895).

We think it likely that if this first meeting had not been followed by others and by the appointment of committees to continue
559 the association (loose as it was) that resulted from that meeting, no complaint would be heard from the Government. But we think the evidence makes it plain that a period of cooperation, or action with a common object, did begin in November, 1907, between the Steel Corporation and the great majority of its independent competitors, and that this period was chiefly marked by an understanding concerning the maintenance of price. Other matters were discussed at the various meetings, but the principal concern was the subject of prices, and other subjects were subordinate. Without quoting too freely from the testimony we think the following extracts are typical. A representative of the Carnegie Company testified:

"Q. You were asked about whether you had any agreement and you said no. What did you mean by agreement, in the sense that you answered that question?

"A. I meant a formal undertaking, either written or expressed by word.

"Q. What do you mean by a formal undertaking?

"A. I mean by a formal undertaking an expression in a formal way.

"Q. In what way? I would like you to explain that.

"A. Either in writing or by word of mouth.

"Q. What kind of an expression in a formal way? Do you mean something of the nature of a contract?

"A. I presume you mean by passing a promise?

"Q. No; I am not saying what I mean, but I am trying to get at what you mean.

"A. What I mean is this: That there was no absolute promise made by anybody.

560 "Q. That is what you meant when you said that there was no agreement?

"A. Yes.

"Q. I will ask you whether or not you left with the general understanding, each relying upon the other, that the prices announced would be maintained?

"A. Yes, sir; yes, sir.

"Q. And what would interrupt the maintenance of that price, according to that understanding that you left with?

"A. Usually one competitor would take some business away from another competitor.

"Q. As I understand you that would be the occasion of another meeting.

"A. Yes, sir.

"By Mr. LINDABURY:

"Q. I will read from the bill in this case:

"'It is not here alleged that merely assembling and mutually exchanging information and declaration of purpose amounts to an agreement or combination in restraint of trade.'

"I will mark that so you can read it, and hand it to you [handing witness the paper referred to].

"My question—as you may pause to consider it if you choose—is whether or not, at any of these meetings you attended, beginning in the autumn of 1907, anything more was done than is there stated.

"A. No, sir.

"By Mr. DICKINSON:

"Q. You said that you assembled?

"A. Yes, sir

"Q. You exchanged information?

"A. Yes, sir.

561 "Q. and you declared purposes as to prices?

"A. Yes, sir.

"Q. I understood you to say also that you left, each relying upon the other that that price would be observed by them, and that the announcement of that price was made to the trade?

"A. Yes, sir." (Vol. 6, p. 2505–09).

A representative of the McKeesport Tin Plate Company testified:

"Was there or not what you understand as a gentlemen's agreement as to following the price that was named, until the next meeting?

"A. There would be a general understanding that we would do what we would say we would do—quote a certain figure until, as I say, we found reasons to change it; and if we found reason to change it we would notify our competitors, or talk with them about it, when another meeting would be held, and conditions discussed.

"Q. Another meeting would be held?

"A. Yes. * * *

"Q. Would or not a price be suggested?

"A. A price would always be suggested.

"Q. State whether or not, before they left, there was any difference as to what each one said he was going to charge, or whether it would be the same.

"A. It was always unanimously agreed, or the statement was unanimous on the part of all that they would quote a certain price." (Vol. 5, p. 1777.)

"Q. What would you do, if anything, in regard to the future prices?

562 "A. Then we would say: 'Well, we will quote a certain price until we find reason to change it.'

"Q. Then you would leave with the same understanding that each was going to sell at that price?

"A. Yes, sir.

"Q. State whether or not any one made any remark at any such meetings that if they cut the price it would be found out.

"A. I think we discussed that among ourselves in general. I might say that if any one quoted a lower price to a particular customer of mine than we did, that I would find it out" (vol. 5, p 1778). * * *

"Q. Was it or not a part of your understanding, after these prices were announced, that you were under a moral obligation to sell at that price until you did notify your competitors?

"A. Yes, sir" (vol. 5, p. 1793).

Now, to our minds, the testimony, taken as a whole, makes the conclusion inevitable that the result of these meetings was an understanding about prices that was equivalent to an agreement. We have no doubt that among those present some silently dissented and went away intending to do what they pleased, but many, probably most of the participants understood and assented to the view that they were under some kind of an obligation to adhere to the prices that had been announced or declared as the general sense of the meeting. Certainly there was no positive and expressed obligation; no formal words of contract were used, but most of those that took part in these meetings went away knowing that prices had been named and feeling bound to maintain them until they saw
563 good reason to do otherwise, and feeling bound to maintain them even then until they had signified to their associates their intention to make a change. We can not doubt that such an arrangement or understanding or moral obligation—whatever name may be the most appropriate—amounts to a combination or common action forbidden by law. The final test, we think, is the object and the effect of the arrangement, and both the object and the effect were to maintain prices, at least to a considerable degree.

We have said that this was the effect intended, and we believe it to be true, also that in actual effect prices were more or less maintained. But it is quite as true that a large section of the trade paid little attention if any to this effort at cooperation. We need not quote again from the record to establish this point, for we have already made sufficient extracts earlier in this opinion. The testimony quoted on pages 42–46 will make it abundantly clear, we think, that even during the period of cooperation the prices announced and informally assented to at these meetings were not regarded at all by many manufacturers, for it is plain that the consumers who testified had no difficulty in buying at rates sensibly below the prices thus referred to. It is only fair to add that in our opinion the participants in this movement did not intend to act illegally. No doubt they did intend to exercise their full legal rights, but of course such exercise could not be wrong, and they believed they had succeeded in keeping within the proper limits. For the reasons given we think they were mistaken, but we acquit them of trickiness or attempted evasion.

But the period of cooperation had passed away before the bill was filed, and as far as we can see, it is not likely to be repeated.
564 We do not think the Gary movement would justify us in imposing so drastic a penalty as the dissolution of the corporation, but we will, if the Government moves for such action, retain the bill for the purpose of restraining any similar movement by the defendants that might be contemplated hereafter. We may per-

haps suggest that under recent legislation Congress may have provided a sufficiently inclusive remedy for any future action that might have for its object the adoption or the maintenance of unreasonable prices.

In brief, the conclusions of the court are these: As to some of the defendants it is apparent the bill should be dismissed. Concerning the principal relief sought against the corporation and its subsidiaries we are of opinion that the Government has not made out a case that should be followed by a decree of dissolution, and we are also of opinion that sufficient reasons have not been afforded to justify us in now awarding an injunction. But, as already stated, if the Government so desires, the court will retain jurisdiction of the cause for the purposes above outlined.

In including this opinion we are requested by each of the members of this court to express the thanks of this court to all the counsel engaged in the cause and record our appreciation of the labor on their part evidenced in their several briefs, digests, cross-references, indices, etc. It is but just to say that the thorough preliminary work on the part of counsel has greatly aided our labors and has enabled us within the limits of reasonable time and without delaying our routine work to reach a reasonably prompt determination of this cause.

A decree may be prepared in accordance herewith.

565 CONCURRING OPINION.

WOOLEY, circuit judge, with whom HUNT, circuit judge, concurs.

In an endeavor to state with brevity the matters of law and fact which have directed and controlled my judgment in this case, no attempt will be made to review the great mass of testimony or to discuss the law bearing upon it.

Whether the Steel Corporation is a combination in restraint of trade or has monopolized or has attempted to monopolize commerce among the States in violation of the antitrust law depends upon the inherent nature or effect of the combination, the evident purpose of its acts, or the intent to be inferred from the extent of the control secured over the industry, the method by which such control has been brought about, and the manner in which it has been exerted, resulting in prejudice to the public interests by unduly restricting competition or unduly obstructing the course of trade. United States vs. Terminal R. R. Assn., 224 U. S., 393, 394; Nash vs. United States, 229 U. S., 373; The Standard Oil Company vs. United States, 221 U. S., 1; United States vs. American Tobacco Co., 221 U. S., 106, 179.

There is no question that the Steel Corporation is a combination. The question is, whether it is a "combination * * * in restraint of trade," and whether the corporation, its subsidiaries, and the individual defendants who actively engaged in its organization monopolized or attempted to monopolize or combined with others to monopo-

lize or restrain trade within the meaning of the act. Inquiry to this end may be pursued along four lines.

566 First. Was the direct and necessary effect of the organization of the corporation to unduly restrain trade or create a monopoly?

The important business units which at or about the time of its organization comprised the United States Steel Corporation (which in default of a better term will be called the "constituent combinations") were the Carnegie Steel Company, Federal Steel Company, National Tube Company, American Bridge Company, National Steel Company, American Steel Hoop Company, American Sheet Steel Company, American Tin Plate Company, and American Steel and Wire Company. Each of these units was in itself a combination of concerns engaged in the manufacture of the same or allied products. The effect of the organization of these combinations was to suppress competition between their component parts and the effect of the organization of the Steel Corporation by embracing these combinations was to give it a control over the industry equal in the aggregate at least to that which its constituent parts and their subsidiaries had theretofore possessed. The Steel Corporation, therefore, is a combination of combinations, by which, directly or indirectly, approximately 180 independent concerns were brought under one business control, thereby giving it not only the assets and business of that number of producers, but the advantage of their elimination from the field of competition. It is, therefore, pertinent to ascertain whether the amount of competition suppressed by the combination of producing units was so great, the percentage of business acquired so large, or the resultant control over the industry so potential, as in and of itself to constitute the Steel Corporation a monopoly independent of any question of intent.

567 The inherent power or the direct and necessary effect of the corporation to unduly restrain trade must be gathered from what it did with the power it had during the period between the date of its organization and the date of the institution of this suit, and what it was unable to do with that power.

What the corporation did constitutes conduct, a subject which will presently be considered and what the corporation did not do is so related to conduct that the two will be considered together. What the corporation had the power or did not have the power to do must first be determined.

The power of the corporation may be ascertained by its position in the industry. Its position has doubtless been attained by a combination of forces, which may include high efficiency of plants, excellence of organization, capacity of employees, and its measure of control over raw materials and the production of finished products. As there can be no monopoly of efficiency and capacity, inquiry concerning the power of the corporation, therefore, leads mainly to its dominion over the raw materials and finished products of the industry.

ing the power of the corporation, therefore, leads mainly to its dominion over the raw materials and finished products of the industry.

The ore reserves acquired by the corporation at and subsequent to its organization, the relation which reserves bear to ore bodies then existing and subsequently discovered, and their bearing upon the question of monopoly of raw materials, are matters which have been discussed in the preceding opinion, and with the reasoning as well as with the conclusion that the corporation has not a monopoly of the raw materials of the steel industry, I am in entire accord.

A more extended consideration of the power of the corporation, derived from its ore reserves, is unnecessary, further than to
568 dispose of a transaction connected with the acquisition of certain ore properties.

Prior to the organization of the Steel Corporation, John D. Rockefeller became interested in a number of ore properties in the Missabi Range, in Minnesota, and in properties primarily intended for the transportation of ores to the market. These properties were the Lake Superior Consolidated Iron Mines, which owned a considerable group of iron-ore properties in that region; a railway company running from Missabi Range to Duluth, called the Duluth, Missabi and Northern Railroad Company, and a steamship company owning a group of steamers plying the Great Lakes, called the Bessemer Steamship Company. The mining company owned the railway company. John D. Rockefeller owned twenty-five twenty-ninths of the stock of the mining company. He owned all the stock of the steamship company.

After its formation the Steel Corporation contracted with John D. Rockefeller for the purchase of his interest and the interest of the other stockholders in the Lake Superior Consolidated Iron Mines and the Bessemer Steamship Company, and paid for the latter $8,500,000 in cash, and for the former, stock of the Steel Corporation at the rate of 1–35/100 shares of preferred and 1–35/100 shares of common for each share of the Consolidated Iron Mines, reckoned on a capitalization of $48,000,000, the current market price for the steel shares being, respectively, 83 and 38.

John D. Rockefeller and his son, John D. Rockefeller, junior, were made directors of the Steel Corporation. The former resigned in 1904 and the latter in 1910. John D. Rockefeller disposed of all his stock, and John D. Rockefeller, junior, disposed of a considerable portion of his stock in the Steel Corporation, acquired by the
569 afore-recited transaction, prior to the filing of the bill in this case.

The bill charges the acquisition of the Consolidated Iron Mines and the Bessemer Steamship Company subsequent to the organization of the corporation. It also charges, generally, that the individual defendants named in the bill by the subsequent acquisition and control of properties entered into a combination with the corporation in restraint of trade, but in this connection the defendants Rockefeller are not named. The sole specific statement of fact in the bill with respect to the defendants Rockefeller relates to the sale to the corporation of stock of the Con-olidated Iron Mines and the Bessemer Steamship Company, and the sole specific charge is that

these defendants were largely interested in those properties, and that "both of them participated in bringing about the combination and became members of the first board of directors of the corporation."

By the prayer of the bill, the properties acquired from the defendants Rockefeller are not asked to be returned to them, or that the sale be avoided, but that the ore properties of the corporation, which of course include those acquired from the defendants Rockefeller, be divided among certain corporations contemplated by a decree of dissolution in proportion to their capacity for the production of steel.

There is no evidence or assertion that the purchase of the Consolidated Iron Mines and the Bessemer Steamship Company, and incidentally the Duluth, Missabe and Northern Railroad Company, was included in the original scheme for the organization of the Steel Corporation, nor is there evidence which shows that the de-
570 fendants Rockefeller took part in the promotion or organization of the corporation. By stipulation with the Government it is in evidence that at the time the bill was filed the defendants Rockefeller had no relation of management or control to the Steel Corporation, and there is nothing to show that they were then or are not violating or threatening to violate the statute.

We find that the transaction of the sale of the Lake Superior Consolidated Iron Mines and the Bessemer Steamship Company was no part of the original plan for the formation of the Steel Corporation, that the transaction was not only in form, but was in substance a sale, and that the single fact that the purchase price of one of the properties was paid with the stock of the corporation, does not alter the legal character of the transaction as a sale or prove that it was violative of the statute. We also find that the purchase of these properties from the defendants Rockefeller did not so increase the ore reserves and the transportation facilities of the corporation as to give it a monopolistic power over the raw materials of the industry. For the reasons given we are unanimously of opinion that the bill should be dismissed as to the defendants Rockefeller.

Further inquiring whether the corporation inherently possesses monopolistic power, attention is next given to its proportion of the manufacture and sale of finished iron and steel products of the industry. Upon this subject there is a great volume of testimony, a detailed consideration of which in an opinion would be quite inexcusable. As a last analysis of this testimony it is sufficient to say
it shows that large as was the corporation and substantial as
571 was its proportion of the business of the industry, the corporation was not able in the first ten years of its history to maintain its proportion of the increase of trade. During that period its proportion of the domestic business decreased from 50.1 per cent to 40.9 per cent, and its increase of business during that period was but 40.6 per cent of its original volume. Its increase of business, measured by percentage, was exceeded by eight of its competitors, whose increase of business, likewise measured by percentage, ranged from

63 to 3,779. This disparity in the increase of production indicates that the power of the corporation is not commensurate with its size, and that the size and the consequent power of the corporation are not sufficient to retard prosperous growth of efficient competitors.

From the vast amount of testimony it is conclusively shown that the Steel Corporation did not attempt to exert a power, if such it possessed, to oppress and destroy its competitors, and it is likewise disclosed by the history of the industry subsequent to the organization of the corporation that if it had made such an attempt it would have failed. It is also shown by the testimony that, acting independently and relying alone upon its power and wealth, great as they were, the corporation has never been able to dominate the steel industry by controlling the supply of raw materials, restraining production of finished products, or enhancing and maintaining the prices of either.

If in its early history the Steel Corporation, singly and alone, endeavored to dominate the steel industry in any one or several of the customary ways (and such is not disclosed by the testi-
572 mony), it ceased early to rely upon its own power. In fact, its lack of power to dominate the industry alone is established by the methods it was forced to institute and pursue with respect to the important matter of the fixation of prices, the legality of which, in my opinion, becomes the main point of inquiry in the case. Instead of relying upon its own power to fix and maintain prices, the corporation, at its very beginning, sought and obtained the assistance of others. It combined its power with the power of competing corporations, and then with its competitors concerted, cooperated, contracted and then by tacit understandings contributed to the establishment and maintenance of prices. The cooperation by the Steel Corporation with its competitors to fix and maintain prices neither sprang from its inherent nature nor was it the direct and necessary effect of its organization. It constituted conduct, and conduct of the same character as that pursued by the corporation's competitors participating therein. The testimony does not show that the corporation in and of itself ever possessed or exerted sufficient power when acting alone to control prices of the products of the industry. The testimony abundantly shows that the power of the corporation to control prices was efficient only when in cooperation with its competitors. It has never raised and maintained prices by its own action. It has done it only by joint action, and when joint action was either refused or withdrawn the comporation's prices were controlled by competition. To the conduct of the corporation in fixing and maintaining prices by methods it with others employed the charge of violation of the statute is most pertinently addressed.

Distinguishing the power of the corporation from its conduct
573 subsequent to its organization, I am of opinion, for the reasons here given, that in its inherent nature the Steel Corporation is not a monopoly, and that the direct and necessary effect

of the organization of the corporation was not unduly to restrain trade.

Second. Was an intent to monopolize or to unduly restrain trade shown by the circumstances which led up to and surrounded the organization of the corporation?

For several years preceding the organization of the corporation in 1901 the steel industry was undergoing a revolution in business methods. Combinations of manufacturers producing the same as well as diversified products were formed upon tremendous scales, embracing in many instances a majority, and in some instances nearly all, the producers of a particular product. This industrial revolution and the combinations which grew out of it have been explained upon two theories.

The first theory is based, as it is contended, upon the discovery made at or about that time, that the economic manufacture of a finished steel product required the ownership of the raw material and the manufacture of the unfinished product by the same corporation, and the manufacture of the unfinished product required facilities for finishing the same in order to secure a regular and certain output. In other words, a necessity for integration developed; that is, the manufacture of steel products on a large scale, beginning with the ore and concluding with the finished product, to accomplish which aggregations of mills that produced different commodities were essential. That this was in the minds of the steel masters of that day is without question, and it is now contended by the defendants that to attain this was the object of the formation of the Steel Corporation.

574 The other theory advanced in explanation of the tremendous and rapid combination of steel-producing plants at that period, in which less regard was paid to combining plants producing diversified products than to combining plants producing the same products, is that by such combinations competition in trade could be suppressed to an extent commensurate with the amount of trade combined, and that by the resultant control prices could be raised and maintained that would yield great profits.

Much testimony has been produced in this case by the opposing parties in support of and in opposition to these opposing theories, a review of which within the limits of an opinion is quite impossible to be made. Evidence of the acts and things done at the time they were done, the character of the combinations made and the results then and subsequently attained, as disclosed by testimony which corresponds in point of time with the doing of the things, carry to my mind a greater probative force in determining the reason for the combinations and the purpose of the organization of the Steel Corporation than explanations thereof made at after periods. There is much testimony given by witnesses, looking back over the history of the corporation and its constituent combinations, to the effect that the purpose of the organization of the constituent combinations and then of the larger combination, the Steel Corporation, was to

assemble huge properties so as to procure perfect integration. Yet the testimony which impresses me most is that which relates to and concerns the things said and done preliminary to and connected with the organization of these various combinations at the time of their creation. These circumstances indicate that the various com-
575 binations were made upon a scale that was huge and in a manner that was wild. Properties were assembled and combined with less regard to their importance as integral parts of an integrated whole than to the advantages expected from the elimination of the competition which theretofore existed between them.

Without referring to the great mass of figures which bears upon this aspect of the case, it is clear to me that combinations were created by acquiring competing producing concerns at figures not based upon their physical or their business values as independent and separate producers, but upon their values in combination, that is, upon their values as manufacturing plants and business concerns with competition eliminated. In many instances capital stock was issued for amounts vastly in excess of the values of the properties purchased, thereby capitalizing the anticipated fruits of combination. The control acquired over the branches of the industry to which the combinations particularly related, measured by the amount of production, extended in some instances from 80 per cent to 95 per cent of the entire output of the country, resulting in the immediate increase of prices, in some cases double and in others treble what they were before, yielding large dividends upon greatly inflated capital.[1]

[1] The organization of the constituent combinations, their overcapitalization, and the increase in the prices of their products are matters so complex in their recital and embrace such a considerable portion of a record altogether unprecedented in size, that nothing more than a single instance can be briefly stated in a footnote.

The National Tube Company was incorporated in February, 1899. It was a combination of manufacturers representing from 80 to 90 per cent of the production of iron and steel wrought tubes in the United States. (V, 1891, 1913; G. E., V, pt. II, 1785–1788, 1794.) An expert valuation of the properties acquired, exclusive of the Western Tube Company, was the sum of $22,303,500. (V, 1867–72.) For the properties and plants, so valued at $22,303,500, personal assets estimated at $10,000,000, and $2,500,000 cash furnished by the promoters, making a total of $34,803,500, plus the value of a part interest in the Western Tube Company, the National Tube Company issued to the consolidation purchasers over $79,000,000 in stock. (G. E., II, 381–84, 392–94.) Of the approximate amount of $40,000,000 of preferred and $40,000,000 of common, issued to the consolidation purchasers for the properties acquired by it (G. E., II, 372–94), it appears that the common stock received by the consolidation purchasers to the amount of about $40,000,000 was to be distributed approximately as follows: To the vendors of the properties acquired, between $3,000,000 and $11,000,000 in excess of the cash valuations of their properties; to the syndicate, in excess of the amount of cash furnished by it, $5,000,000; to Morgan and Company, $3,500,000; and to the consolidation purchasers and Morgan and Company for promotion, between $20,000,000 and $28,000,000. The net earnings

576 The immediate as well as the normal effect of such combinations was in all instances a complete elimination of competition between the concerns absorbed, and a corresponding restraint of trade. That for a time during that period monopoly was created and trade unduly restrained in certain steel products by the combinations which almost exclusively produced them, is seriously charged and not satisfactorily denied. Such was the common knowledge of those conversant with the steel industry, and as many of the men who participated in the organization of such combination participated actively in the organization of the Steel Corporation, it is difficult to believe that they did not know that to some extent, and probably to what extent, such combinations restricted and suppressed competition, and that they did not expect, by force of the mul-

577 tiplied absorption of trade and by the power resulting from the increased elimination of competition, the Steel Corporation would be enabled to fix and regulate the production and prices of all commodities in the industry. Such would seem to be a natural thing to expect of a combination of competing corporations which in themselves were combinations of competing corporations, and it is but fair to charge that those who created such a combination of combinations intended what in the nature of the situation would be thought to be its natural and probable consequence.

It was insistently urged by the corporation, both in the briefs and at the argument of this case, that in the conversations between Mr. Schwab and Mr. Morgan preliminary to and during the negotiations for the combinations which were afterwards acquired by the Steel Corporation, no word passed between them concerning increased profits, hoped for or expected to be derived from the elimination of competition, and that their discussions were addressed and limited to economies of manufacture and business. It is worthy of comment in this connection that, in so far as those conversations are repeated in the testimony, the word "integration" was not mentioned, and, excepting by inference, the idea of integration was not suggested by the one who gave or by the one who responded to the inspiration to create such a combination as the Steel Corporation. The purpose of its organization, in so far as it was expressed by either of those gentlemen, as disclosed by the testimony, was to acquire a number of mills in each of which to manufacture but one thing instead of many things, and to procure enough mills to make and manufacture every product in the steel industry, with the hope of acquiring the foreign trade. The precise reasons for the formation of such a com-

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of the National Tube Company for its first six months were $7,900,069, a rate of 19 per cent per annum on the capitalization of $80,000,000; and the net earnings for the first fiscal year, after deducting expenses, depreciation, and reserve, were $13,878,364.69, which is something over 17 per cent on its total capitalization. Before the formation of the National Tube Company the price of tubes was $30 a ton. During 1899, the year of its formation, the price of tubes rose to $67 a ton, and in the early part of 1900 reached their maximum of $89 a ton. (XXVII, 11390–1, 11426–7, 11433.)

578 bination, and the particular advantages to be expected therefrom, as stated by Mr. Schwab to Mr. Morgan in the conversations which are represented to contain the ideas which suggested and which justified the formation of the Steel Corporation, are:

"That instead, as was then the practice, of having one mill to make ten or twenty or fifty products, the greatest economy would result from having one mill make one product, and make that product continuously. * * * That various lines of steel should be so specialized. * * * The great economies would result from locating mills at the point of consumption, by which the cost of transportation * * * would be reduced or saved. * * * That great economic results would follow from being able to manage these concerns in a manner that would stimulate the most effective effort in the management of the different concerns. * * * That the great export business of this country in iron and steel could only be done in that way. * * * (the companies to be acquired were) such as to cover all the branches of the industry. * * * (and that) successful manufacture was only possible where every single step in the line of manufacture was carried out by some one concern; and that for the greatest economy, for the greatest development of the business, it was an absolute necessity."

Continuing, Mr. Schwab said:

"I felt, furthermore, that great economies would result in all these general items of expense which are met in the manufac-
579 ture of iron and steel, on account of selling, traveling, office expenses, and all the general items of each individual concern which an individual line had to cover with a full organization. That could be covered by one such organization, and I felt that such economy would result in that direction, and, indeed, the whole line of my talk that evening was intended to show that the next great economic step to be made in the manufacture of steel—or, indeed, any business in general—I did not confine myself entirely to the steel business—directly to the steel business, but, in general, that the great economic result to be next obtained in manufacture was in the direction of these methods, and then I made that application generally to the steel industry."

Mr. Schwab then pointed out to Mr. Morgan the plants, which, if acquired, "could be made ultimately to conform to this theory." It does not appear in the testimony just what plants Mr. Schwab suggested should be acquired, nor does it appear that Mr. Morgan acquired or attempted to acquire any plants of any independent producers of that day. It does appear, however, that Mr. Morgan proceeded immediately to acquire, not plants, but the huge combinations themselves, which had but recently been formed, and which had but recently demonstrated their ability to suppress competition.

The objects of the formation of the corporation, as stated by Mr. Schwab, were those avowed at the time of its organization, and the things done to accomplish those objects must be accepted to have been done in the light of the situation as it then existed.

580 The declarations of Mr. Schwab with respect to the objects of the organization, and the conduct of Mr. Morgan and his associates in creating the corporation by combining the most powerful combinations which then existed, the conspicuous features of which were overcapitalization and the elimination of competition, constitute evidence which must be considered in seeking the purposes for which the corporation was organized. That evidence, as against the testimony to the contrary, impels me to the opinion that the primary purpose of the organization of the Steel Corporation was not integration. Integration was a result of the organization, and afterward became a necessity. When integration was undertaken it was but imperfectly accomplished by employing the units acquired. It was only perfected by building new mills at a cost of over $400,000,000. After a consideration of the character and conduct of the combinations absorbed by the corporation, and of the complete knowledge of the industry possessed by those who brought the corporation into existence, I am irresistibly drawn to the conclusion that the object of the formation of a corporation which embraced such combinations, and the intent of those who undertook its accomplishment, were to secure great profits by restraining trade in the manner and upon the scale thought possible in the light of the history of the constituent combinations.

The constituent combinations absorbed by the corporation were strongest at their birth. Their percentage of output and their corresponding control over their particular branches of the industry were greatest when organized, but diminished year by year in combat with competitors who entered the field against them, supplied with ample resources, equipped with modern plants, and unencumbered with obsolete or dismantled properties. As an illus-
581 tration, the American Tin Plate Company, incorporated in December, 1898, was a consolidation of 39 plants with 279 mills engaged in the manufacture of tin plate. It is charged and not denied that at the time of its formation this combination comprised 90 per cent of the tin-plate manufacturers of the country, which controlled 95 per cent of the total output of tin plate in the United States. The result was an immediate rise in the price of its product and a decrease in the number of its producing units. As a consequence of its policy, 86 mills of 19 plants—that is, about one-third of the mills acquired—were promptly dismantled. Notwithstanding this initial and potential control over the product and prices of the tin-plate industry, it nevertheless happened, that while in 1899 the American Tin Plate Company produced 95 per cent of all the tin plate manufactured in the United States, its control from that year gradually decreased until in 1912 its proportion of the manufactured output was but 53.7 per cent. After it was absorbed by the corporation it ceased to rely upon its own power to fix and maintain prices, complete as was its power at first, and, like the other subsidiaries, was forced to cooperate with its competitors.

The experience of the American Tin Plate Company is illustrative of the history of various combinations absorbed by the Steel Corporation. It is likewise the explanation of the seeming anomaly that the corporation at the time of its organization, in and of itself possessed less power as a monopoly than certain of its constituent units possessed at the dates upon which they were respectively created. The absorption by the Steel Corporation of combinations which in themselves possessed monopolistic powers, potential in their beginning though waning as they progressed, irresistibly draws me
582 to the conclusion that those who organized the Steel Corporation expected to accomplish permanently what had been demonstrated could be accomplished temporarily, and thereby to monopolize and unduly restrain trade. But, when organized, the corporation discovered that it was confronted by forces beyond its control, that it was affected by trade laws and conditions which in its organization were either forgotten or ignored, and that therefore it was without the power alone to do what its organizers expected of it, and was immediately forced to resort to the old device of pools in order to control and maintain the prices of its products. I am of opinion that the circumstances which led up to and surrounded the organization of the Steel Corporation show that those who organized the Steel Corporation intended it to monopolize and unduly restrain trade.

Third. Was intent to monopolize or to restrain trade shown by the after conduct of the corporation?

There are a number of customary tests by which the existence of trade restraint may be ascertained and the extent thereof may be gauged. In applying these tests to the after conduct of the corporation the testimony responds, in my opinion, by disclosing but one line of the corporation's conduct violative of the statute.

There is nothing in the evidence that suggests that the corporation used its power to gain advantage over its competitors by securing freight rebates. On the contrary, it appears that early in its history the corporation announced a policy and promulgated a rule against soliciting and accepting rebates.

583 There is nothing to show that the corporation increased its profits by reducing the wages of its employees. The increased volume and reward, as well as the improved conditions, of labor for which the corporation at considerable length takes credit to itself have no bearing upon the issue of monopoly except as they tend to prove that monopoly was neither attempted nor acquired at the expense of labor.

There is nothing in the evidence that suggests the corporation increased its profits by lowering the quality of its products. The testimony that the quality of the corporation's products has not deteriorated, but has improved, is pertinent to the inquiry whether monopoly was attempted or accomplished at the expense of the quality of its products, but the considerabe volume of testimony as to the high quality of its products and the excellence of its service has no

probative bearing upon the issue of monopoly. The question is not whether the corporation is a serviceable monopoly; the question is whether the corporation is a monopoly.

There is nothing which discloses that the corporation either increased its power or augmented its profits by creating an artificial scarcity of its products.

The testimony does not show that the corporation oppressed or coerced its competitors. In fact, there is an abundance of testimony contributed by the competitors of the corporation to the effect that its competition, though vigorous, was fair.

The corporation did not undersell its competitors in particular localities by reducing prices below the prices at which it sold in other localities, nor did it require its customers to enter into con-
584 tracts either limiting their purchases to the corporation or restricting them in resale prices. While purchasing pig iron at prices higher than the market, in order by reflection to maintain or increase the price of steel, purchases were not made by the corporation beyond its needs nor with the intent or result of cornering the market. It did not obtain customers of competitors by secret rebates, or departures from its published prices, so long as the prices agreed to were adhered to by others pursuant to methods presently to be considered. There is no evidence that it attempted to crush its competitors or drive them out of the market, and in its competition it seemed to make no distinction between large and small competitors. In fact, its conduct towards its competitors, as shown by the testimony, has been conspicuously free from that business brutality, meanness, and unfairness which characterized the conduct of certain large corporations found guilty of violating the antitrust law.

The charge that the corporation offered lower prices in return for large purchases running over long periods, if true, does not constitute unfair trading. In those instances the corporation endeavored and succeeded in obtaining contracts for large purchases of unfinished or semi-finished materials so as to secure a steady trade for a long period and thereby secure steady and certain employment for its mills.

The corporation's reply to the charge of undue restraint of trade by combining with others to fix and maintain prices, and the assumption to itself of credit for the benefits arising from its conduct "in steadying the market and preventing rapid and extreme fluctuations," is somewhat of an admission that it (with others) controlled prices by artificial means. I know of no law which makes
585 the steadying of the market a justification for fixing and maintaining prices by the concerted action of otherwise competing companies, when the effect of steadying the market is to dominate the industry by establishing prices for its products. The perfection of stabilizing prices can be reached only when monopoly is perfect, and as nothing justifies monopoly, I am of opinion that the stabilizing benefits claimed by the defendants in fixing and maintaining prices are no justification or excuse for what they did. Prices are

perfectly stabilized by pools when entered into and lived up to, yet no one would contend that a pool, however beneficent its results, is either justifiable or legal. If the establishment of uniform prices for the products of an industry should ever be found advantageous or necessary, such an economic policy should be inaugurated and pursued under authority of law, and not by the will of the industry itself.

Competition with the corporation in all of its products has been real and keen from the date of its organization to the date of the filing of the bill in this suit. About this there is no question, with the possible exception of seamless tubes which were made under important patents acquired or controlled by the corporation. Every commodity which it made was sold in substantial competition. This is conclusively proved. It is not proved, however, that the competition which existed between the corporation and its competitors extended to prices. While during that period competition was real it was pursued along levels and at figures agreed upon expressly or tacitly by pools, or at meetings and dinners. At different times
when price undertakings and understandings between the
586 corporation and its competitors were broken, notably in 1909,
the feature of prices entered into the competition, and then competition was complete and without restraint. Otherwise and at other times, competition was real, but it was restrained as to prices. Therefore, in searching the after conduct of the corporation for evidence of an intent on its part to monopolize and restrain trade, the participation of the corporation in the old and the new means pursued and devised, by which prices were raised and maintained, demands serious consideration.

Before and at the time of the organization of the corporation and for several years thereafter, a very great many of the companies that became its constituents and subsidiaries were alloting trade and fixing prices for different iron and steel products by pool agreements. It is quite necessary in this opinion to discuss the legality of such agreements. It is sufficient to state that it was known by all that they were denounced by the law. With this knowledge the corporation, through its president, in 1904 commanded its subsidiaries to withdraw from pools, yet, notwithstanding the policy then announced, certain of its subsidiaries, notably the American Steel and Wire Company, continued in pools formed as late as 1908. It is defended, however, that the participation of the American Steel and Wire Company in the pool last mentioned was without the sanction of the corporation and without the knowledge of its president. It is really unimportant to give consideration to the corporation's claim of exoneration upon this ground, in view of the fact that the corporation itself, with the concurrence of its president, at the very same
time, at periodical meetings with its competitors, was fixing
587 prices covering a wide range of commodities, not by agreements, but by understandings by which all were morally bound and from which no one deviated without notice to the others. By

these methods the corporation and its subsidiary, the American Steel and Wire Company, were contemporaneously and quite as effectually naming and maintaining prices in different products. Measured by the successful results of each, there can be little difference between the methods employed.

When pools and associations were very generally abandoned in 1904 they were succeeded by trade meetings attended by representatives of the same concerns which theretofore had been parties to the pools. At these meetings agreements respecting prices were not made, but understandings were reached with respect to prices which quite as effectually resulted in their maintenance. The legality of these meetings was questioned, and about the year 1907 they were abandoned, and in the same year the Gary dinners were inaugurated.

The Gary dinners were dinners given by E. H. Gary, the president of the corporation, to which were invited representatives of steel manufacturing concerns which theretofore had participated in the trade meetings, associations, and pools, and which produced "90 per cent or more" of the total output of the diversified products of the steel industry of the country.

The first Gary dinner was given on November 20, 1907, to meet an unquestioned exigency arising out of the panic then existing. The steel industry, like many industries, was demoralized and threatened with disaster by the panic which began in the month preceding.

The dinner was given in order to devise ways and means to
588 prevent calamity to the industry. Ways and means were found which no doubt contributed greatly in preventing disaster not alone to the producers of steel but also to those intermediate consumers who were carrying large and costly supplies. The ways and means consisted then of nothing more than the urgent request of a strong man, that in the stress of panic all should keep their heads and avoid the consequences of reckless cutting of prices. In this the others acquiesced, and in the light of the emergency then existing and the disaster averted, I am of opinion that the purpose and the conduct of those who participated in the first Gary dinner were not unlawful, improper, or questionable. But after the exigency had passed and the means to meet it had been exerted, Gary dinners were found to be potential things, and they were afterwards called and employed to exert their potentiality not in averting disaster but in creating greater profits by raising and maintaining prices in periods of industrial calm.

Gary dinners, while not regularly held, never adjourned. They were made continuous by the peculiar character of their organization. Being nothing more than business meetings, they were conducted in a business fashion. A general supervisory committee was appointed, and subcommittees were appointed to deal with the different products of the steel industry. These latter committees were known as the steel-bar committee, ore and pig iron committee, rails and billets committee, &c. The membership of each committee was

composed of representatives of the leading concerns which manufactured the particular product with which the committee had to do. These committees met between dinners, and were accessible, through their chairmen, at all times between meetings. The only
589 difference between the Gary dinners and the meetings of the committees was that at the dinners the general business of the industry was discussed, while at committee meetings the business of a particular branch of the trade was discussed. At neither were agreements made concerning prices at which the participants would sell their products. In fact it was asserted and reasserted that such agreements were impossible because illegal, but in lieu of agreements, the parties, both at the dinners and at the committee meetings, severally made what they chose to call "declarations of purpose"; that is, declarations of the prices at which they respectively proposed to sell their products, to which prices, it is testified, all adhered until some one chose to deviate therefrom, in which event he was "in decency" bound to notify his dinner associates or the members of his committee.

Excepting the feature of trade allotments and money penalties, Gary dinners were in effect pools, with the right reserved to each participant to withdraw upon notice to the others. They differed from pools only in the difference between the binding force of a moral understanding and the legal obligation of an express agreement. They were pools without penalties. They constituted a scheme which did not make it fatal for a competitor of the corporation to stay out, but made it attractive for him to stay in, the result of which was that prices were maintained with greater uniformity and stability than when the same participants engaged in pool agreements, violations of which carried penalties.

This method of cooperative price regulation was pursued uninterruptedly from November, 1907, to February, 1909. Throughout this time prices were fixed and maintained by "understand-
590 ings," enforced by "moral obligations." Through the period of depression of 1908, business so decreased in volume that early in 1909 independent producers broke their "understandings" with the corporation and with one another, and sold at prices which each fixed for itself, in complete disregard of previous "understandings." The corporation attempted to maintain for its products prices at the figures understood; that is, to maintain high prices in a period of business depression and "to force the issue against all economic conditions." It attempted this alone, and in its attempt it failed. Therefore, in that year the corporation was forced to declare for an "open market;" that is, it sold at prices with respect to which there were no "understandings," and permitted "natural laws" to take their course. The immediate results were lower prices and a largely increased volume of trade. If the abandonment by the corporation of its cooperative policy of fixing and maintaining prices "brought out a large volume of business," it logically follows that by the pursuit

of that policy "a large volume of business" had theretofore been held back; that is, restrained, and therefore that the policy of cooperation as to prices, based upon mutual understandings and enforced by moral obligations, operated effectually and unduly to restrain trade.

That the corporation did not dominate the industry by compelling the trade to sell at prices it desired is shown by the break of 1909. When the independents broke away the corporation had to break away too. When the independents lowered prices the corporation had to lower prices too. When they all broke away two things
591 happened: First, competition in prices; second, an increased volume of trade, indicating theretofore a limitation of the former and the restriction of the latter. This is persuasive evidence that the establishment and maintenance of prices from 1901 to 1909 were accomplished by the corporation and its competitors by keeping agreements made by pools and adhering to understandings reached at meetings and dinners.

Coincident with the breaking of prices by the breaking of understandings made or reached at Gary dinners, Gary dinners were temporarily discontinued. It had been contended all along that Gary dinners had nothing to do with the fixation and maintenance of prices, that while stabilizing prices resulted from such dinners, nevertheless their primary purpose was to secure the establishment and maintenance of good relations between competitors and to afford opportunities for the exchange of trade information and experience. Is it not strange that breach of an understanding as to the one matter of prices should have caused a discontinuance of the dinners with the consequent loss of their primary benefits?

Gary dinners were resumed in October, 1909, and with their resumption higher prices were resumed.

By the proceedings at the Gary dinners, and at the meetings of the dinner committees, the fixing and maintaining of prices were as successfully accomplished as by meetings called for that purpose during the period from 1904 to 1907, and by the pools created for that purpose from 1901 to 1904. It therefore appears that from the organization of the corporation in 1901 until the Gary dinners were discontinued in January, 1911, the corporation, first by one
592 method and then by a second method and then by a third method, employed means to procure the establishment and maintenance of uniform prices for its diversified products, and by these means the Steel Corporation with its competitors did combine and control prices, and in controlling prices restrained trade. If by the three methods pursued in the three periods named, prices were not artificially and successfully maintained, as shown by the history covering those three periods, I am at a loss to know by what means it would be possible to fix and maintain prices that would unduly restrain trade in the sense of violating the antitrust law.

The raising and maintaining of prices of steel products from 1901 to 1911 can not be attributed to the dominancy by the corporation

over the industry because of its size. It was due to cooperation between it and nearly all other producers in a joint effort to raise and maintain prices, in which they persisted and succeeded. Without the cooperation of independent producers, prices of steel products could not have been raised and maintained by the corporation alone. The offense of the corporation, therefore, was not its dominancy over the trade, but was an offense precisely similar to that of which every independent and cooperating producer was guilty, and consisted in the act of combining with its competitors to produce an unlawful result. If it had not combined with its competitors, or if they had not combined with it, restraint of trade due to the fixation of prices would in my opinion have been impossible. Therefore those who participated in such meetings with the intention of doing that which was accomplished participated in unlawfully restraining trade. I am in nowise convinced that those competing corporations which associated themselves with the Steel Corporation were forced, either by the conduct or the power of the corporation, to cooperate with it in fixing prices. The corporation produced less than 50 per cent of the steel products of the country. Those of its competitors which participated with it in the fixation of prices produced more than 40 per cent. Those which comprised the 40 per cent could have taken care of themselves and could have competed with the corporation in prices if they had so desired, and therefore those which comprised the 40 per cent and which cooperated with the corporation in the methods pursued from 1901 to 1911 did so voluntarily and not because of the dominance of the Steel Corporation. The corporation dominated only in the sense of contributing substantially to what was done and making attractive what it desired to be done, and the others yielded cheerfully. Their offense was no different from that of the corporation, and the offense of the corporation was distinguished from theirs only in the leadership it assumed in promulgating and perfecting the policy.

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The record does not disclose the names of all the iron and steel producing concerns which were represented at the Gary dinners and which cooperated in the price-fixing policies there inaugurated and pursued. Those corporations which were of sufficient size and importance to secure representations from time to time upon the principal committee and the subcommittees of the Gary dinners, including the Steel Corporation, its subsidiaries, and its competitors, appear by stipulation (record, vol. 9, 3745–3750), which is excerpted in the margin:[1]

[1] General committee: United States Steel Corporation. Competitors—Cambria Steel Company, Pennsylvania Steel Company, Bethlehem Steel Company, Jones and Laughlin Steel Company, Central Iron and Steel Company.

Ore and pig iron committee: United States Steel Corporation. Competitors—Shenango Furnace Company, Pickands, Mather and Company, Bessemer Pig Iron Association, Republic Iron and Steel Company, Thomas Iron Company,

594 The antitrust law was enacted "to protect trade and commerce against unlawful restraints and monopolies." The word "trade" means the buying as well as the selling of property, and the statute extends its protection to those who buy as well as to those who sell. A practice that is helpful to the seller, but is hurtful to the buyer, is as fully within the inhibition of the statute as a practice pursued by one seller which unlawfully restrains the trade of another seller. Therefore, it may be assumed without discussion that the statute intends to protect the purchasing public from
595 the consequences of combination, which, either in their purpose or effect, so raise and maintain prices, that trade, in the sense of buying, can not exist except upon terms fixed by combinations of sellers.

When the Steel Corporation and its competitors, which together produced 90 per cent of the iron and steel output of the country, combined, and first by one method and then by another and then still by another, deliberately fixed and successfully maintained almost uninterruptedly for a period of ten years, the prices at which the public was compelled to purchase their products, I am convinced that the corporation and every producer which combined with it and with one another in so fixing and maintaining prices, violated the provision of the statute which declares illegal "every * * * combination * * * in restraint of trade or commerce among the several States * * *."

Sloss-Sheffield Iron and Steel Company, Buffalo and Susquehanna Iron Company, Warwick Iron and Steel Company, Allegheny Ore and Iron Company.

Rails and billets: Illinois Steel Company, subsidiary. Competitors—Pennsylvania Steel Company, Lackawanna Steel Company, Dominion Iron and Steel Company, Alan Wood Iron and Steel Company.

Billets and sheet bars: Carnegie Steel Company, subsidiary. Competitors—Pennsylvania Steel Company, Republic Iron and Steel Company, Lackawanna Steel Company, Jones and Laughlin Steel Company, Youngstown Sheet and Tube Company, Alan Wood Iron and Steel Company.

Structural material: Illinois Steel Company, subsidiary. Competitors—Bethlehem Steel Company, Cambria Steel Company, Jones and Laughlin Steel Company.

Plates: Carnegie Steel Company, subsidiary. Competitors—Cambria Steel Company, Central Iron and Steel Company, Lukens Iron and Steel Company, Worth Bros. Company.

Steel bars: Carnegie Steel Company, subsidiary. Competitors—Jones and Laughlin Steel Company, Republic Iron and Steel Company, Crucible Steel Company of America, Cambria Steel Company.

Pipes and tubular goods: National Tube Company, subsidiary. Competitors—Wheeling Steel and Iron Company, Youngstown Sheet and Tube Company, Reading Iron Company, LaBelle Iron Works.

Sheets and tin plate: American Sheet and Tin Plate Company, subsidiary. Competitors—LaBelle Iron Works, Inland Steel Company, National Enameling and Stamping Company, Youngstown Sheet and Tube Company.

Wire products: American Steel and Wire Company, subsidiary. Competitors—Pittsburgh Steel Company, John A. Roebling's Sons Company, Grand Crossing Tack Company.

Fourth. Was the corporation engaged in restraining or monopolizing trade, or was it threatening so to do at the institution of this suit?

As the several means resorted to by the corporation with others for raising and maintaining prices constitute, in my opinion, the only conduct of the corporation violative of the statute, the first part of the question just propounded may be answered by ascertaining when that conduct ceased. The Gary dinner movement ended with the dinner of January 11, 1911, and the bill in this suit was filed on October 26, 1911. The testimony does not show that since the date of the last Gary dinner the corporation either alone or in cooperation with others, has fixed or maintained prices of the products of the steel industry, or attempted so to do, nor does the testi-
596 mony disclose anything which suggests an intention on the part of the corporation to return to its former practices. That it may do so, if it desires, unless prevented by the decree of this court, is of course obvious.

My conclusions of fact and of law are that the organizers of the corporation (1) intended to create a monopoly and to restrain trade, and (2) combined with others and attempted to monopolize trade, within the meaning of the act; and that the corporation (1) neither attempted nor possessed the power alone to do the unlawful things intended by its formation, but (2) that it unlawfully combined with others to restrain trade by controlling prices.

Whatever remedy there may be against the organizers of the corporation for acts violative of the statute, certainly in this proceeding in equity a decree of dissolution can not be awarded against the corporation for the unlawful intent and the unsuccessful attempt of its organizers to violate the law. Upon the finding that the corporation in and of itself is not now and has never been a monopoly or a combination in restraint of trade, a decree of dissolution should not be entered against it. Having found, however, that the corporation violated one of the provisions of the statute by combining with others to unduly restrain trade, and that it possesses the power to again unlawfully combine with others to do the same unlawful acts, and though not actively threatening, yet because of the disposition displayed throughout the larger portion of its history, it may again do so, I am of opinion that the corporation should be prevented doing the things and repeating the practices respecting the fixing
597 and maintaining of prices herein viewed illegal. The ordinary relief, obviously, is the injunctive process of the court, which in an ordinary situation would follow such a finding, as of course. I am satisfied, however, that the same end will be attained, in a manner consistent with recent legislation, by retaining jurisdiction of the bill, if desired by the Government, for the purpose of restraining the defendants again engaging in the price-fixing practices found illegal.

Having stated the reasons for my conclusions and the matters which have principally controlled my judgment in this case, I join in the decree to be entered.

598 UNITED STATES OF AMERICA, *ss:*

To United States Steel Corporation, Carnegie Steel Company, Carnegie Company of New Jersey, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Sheet Steel Company, American Steel Hoop Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron and Railroad Company, Great Western Mining Company, West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company, corporations: Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, said named individuals being sued as trustees: Charles Steele, George W. Perkins, E. H. Gary, Chas. M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Edmund C. Converse, Percival Roberts, jr., Daniel G. Reid, Norman B. Ream, John D. Rockefeller, John D. Rockefeller, jr., P. A. B. Widener, William P. Palmer, and John P. Morgan, jr., William P. Hamilton, Herbert L. Satterlee, and Lewis Cass Ledyard, as executors, greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States, at Washington, within thirty days from the date hereof, pursuant to an appeal duly allowed and filed in the clerk's office in the District Court of the United States for the District of New Jersey, wherein United States of America is appellant and you are appellees, to show cause, if any there be, why the final decree rendered against the said appellant, as in the said appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Given under our hand at the city of Philadelphia in the State of Pennsylvania, this 2d day of November, A. D. 1915.

JOSEPH BUFFINGTON,
per Mc. P.
JOHN B. MCPHERSON.
WM. H. HUNT, *C. J.*
VICTOR B. WOOLLEY, *C. J.*

599 Service of the within citation is hereby admitted this 5th day of November A. D. 1915.

LINDABURY, DEPUE, & FAULKS,
Solicitors for United States Steel Corporation, Carnegie Steel Company, Federal Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, Shelby Steel Tube Company, American Tin Plate Company, American Sheet and Tin Plate Company, American Bridge Company, Lake Superior Consolidated Iron Mines, Union Steel Company, H. C. Frick Coke Company, Clairton Steel Company, Tennessee Coal, Iron, and Railroad Company, Great Western Mining Company, Charles Steele, George W. Perkins, E. H. Gary, Chas M. Schwab, Andrew Carnegie, Henry C. Frick, James Gayley, William H. Moore, J. H. Moore, Percival Roberts' jr., Daniel G. Reid, and John P. Morgan, jr., William P. Hamilton, Herbert L. Satterlee, and Lewis Cass Ledyard, as executors.

KELLOGG & EMORY,
Solicitors for West Missabe Land Company (Limited), Wright Land Company (Limited), Davis Land Company (Limited), Wells Land Company (Limited), Stone Land Company (Limited), Wabigon Iron Company, Minosin Iron Company, Nibiwa Iron Company, Wenona Iron Company, Minawa Iron Company, Leonard Iron Mining Company, Arthur Iron Mining Company, Fillmore Iron Mining Company, Harrison Iron Mining Company, Jackson Iron Mining Company, Polk Iron Mining Company, Tyler Iron Mining Company, Van Buren Iron Mining Company, Louis W. Hill, James N. Hill, Walter J. Hill, Edward T. Nichols, said named individuals being sued as trustees.

MURRAY, PRENTISS & HOWLAND,
Solicitors for John D. Rockefeller and John D. Rockefeller, jr.

SULLIVAN & CROMWELL,
Solicitors for Edmund C. Converse.

J. V. B. WICOFF,
Solicitor for William P. Palmer.

600 United States District Court, District of New Jersey.

United States of America *vs.* United States Steel Corporation and others.

Clerk's certificate.

UNITED STATES OF AMERICA,
District of New Jersey, ss:

I, George T. Cranmer, clerk of the District Court of the United States for the District of New Jersey, do hereby certify that the printed volumes and typewritten papers transmitted herewith, entitled in the above-stated cause and marked "Original Transcript," and enumerated below, contain a true and complete transcript of the records and proceedings had in said court in said cause, in so far as called for by the praecipe filed May 3, 1916, as the same remain of record and on file in my office:

Volume A, containing:

Docket entries as required by the praecipe (typewritten).

Petition.

Answer of United States Steel Corporation and others (printed).

Replication to answer of United States Steel Corporation and others (printed).

Answer of Andrew Carnegie (printed).

Replication to answer of Andrew Carnegie (printed).

Answer of William P. Palmer (printed).

Replication to answer of William P. Palmer (printed).

Answer of Edmund C. Converse (printed).

601 Replication to answer of Edmund C. Converse (printed).

Answer of John D. Rockefeller (printed).

Replication to answer of John D. Rockefeller (printed).

Answer of John D. Rockefeller, jr. (printed).

Replication to answer of John D. Rockefeller, jr. (printed).

Answer of The West Missabe Land Company, Ltd., and others (printed).

Stipulation and supplemental answer of The West Missabe Land Company, Ltd., and others (printed).

Replication to answer of The West Missabe Land Company, Ltd., and others (printed).

Answer of Louis W. Hill, James N. Hill, Walter J. Hill, and Edward T. Nichols, as trustees (printed).

Replication to answer of Louis W. Hill and others (printed).

Answer of J. H. Gruber (printed).

Replication to answer of J. H. Gruber (printed).

Certificate of public importance, filed October 26, 1911 (typewritten).

Order appointing examiner, filed April 22, 1912 (typewritten).

Order in respect to reporting transcript of record, etc., filed July 3, 1914 (typewritten).

Order as to taking exceptions, filed July 3, 1914 (typewritten).
Order as to printing of exhibits, filed July 3, 1914 (typewritten).
Order in respect to certain special exhibits, filed July 3, 1914 (typewritten).
Certificate of examiner, filed October 2, 1914 (typewritten).
Opinion, filed June 3, 1915 (printed).
Final decree, filed September 10, 1915 (typewritten).
Petition for appeal and assignment of errors, filed October 28, 1915 (typewritten).
Order allowing appeal, filed November 1, 1915 (typewritten).
Original citation and acknowledgment of service, dated November 2, 1915.
Order as to certification of record, filed May 4, 1916, typewritten).

602 Volumes I to XXX. Containing the testimony.
Volumes I to XIV. Containing the Government's exhibits.
Volumes I to IX. Containing defendants' exhibits.
Volumes I to III. Containing special exhibits.

And I do further certify that the exhibits transmitted herewith and enumerated below are the original exhibits offered in this cause:

GOVERNMENT EXHIBITS.

91 (referred to at G. E. I, 251).
116 to 130 (referred to at G. E. I, 315).
154 (same as G. E. No. 325; referred to at G. E. IV, 1472).
155 (same as G. E. No. 326; referred to at G. E. IV, 1472).
310 (referred to at Test. VII, 2835-6).
325 (same as G. E. No. 154; referred to at G. E. VII, 2020).
326 (same as G. E. No. 155; referred to at G. E. VII, 2020).
415 (referred to at Test. IX, 3752).
443 to 468 (referred to at Test. XIX, 7714).
489
491 (referred to at Test. XXX, 12122).
492
507 (referred to at Test. XXX, 12134).
511 (referred to at Test. XXX, 12140).

DEFENDANTS' EXHIBIT.

16 (referred to at D. E. I, 145).
17 (referred to at D. E. I, 145).
21 (from which a portion was offered in evidence).
40 (referred to at Test. X, 3832).
62 (referred to at Test. XII, 4917-18).
64 (referred to at Test. XII, 4930).
74 (referred to at D. E. III, 319).
75 (referred to at D. E. III, 319).
230
235 (referred to at Test. XXX, 12143).

And I do further certify that the volume marked annual reports contains the annual reports offered in evidence by the defendant.

In witness whereof I have hereunto subscribed my name and affixed the seal of said court at Trenton, this fifth day of May, 1916.

[SEAL.] GEORGE T. CRANMER, *Clerk*,
By CHARLES S. CHEVRIER, *Deputy*.

603 United States District Court, District of New Jersey.

United States of America *vs.* United States Steel Corporation and others. Clerk's certificate.

File No. 25292. New Jersey D. C. U. S. Term No. 481. The United States of America, appellant, *vs.* United States Steel Corporation et al. Filed May 12th, 1916. File No. 25292.

○

TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1916 [redacted] 1919

No. [redacted] 1356

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 1.

DEFENDANTS' EXHIBITS.

FILED MAY 12, 1919.

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION.

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No. 3,	Summary of Capacity of Bridge Building Works, (1903 Supplement to A. I. & S. Association's Directory)	3
No. 4,	List of Competitors of American Bridge Co. Operating Shops, May 16, 1904	4
No. 5,	List of Competitors of American Bridge Co. Operating Shops, May 15, 1905	19
No. 6,	List of Competitors of American Bridge Co. Operating Shops, May 15, 1906	34
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No. 17.	Statistics of the American and Foreign Iron Trades for 1899, presented to the members May 25, 1900	145
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No. 31.	Extract from minutes of the Carnegie Steel Company for October 16, 1900	166

DEFENDANTS' EXHIBIT NO. 1,
(Date. May 24, 1912.)

Report No. 1

ANNUAL CAPACITIES OF STRUCTURAL STEEL SHOPS

(N.T.)

	YEAR	COMPETITORS	A.B.CO.	Mo.	TOTAL	PERCENTAGE A.B.CO. CAPACITY
	1901	No Record	627000	(52250)	---	---
	1902	do.	621000	(51750)	---	---
	1903	do.	645000	(53750)	---	---
Feb.-	1904	1016000	624000	(52000)	1640000	38.0
Jan.-	1905	1095000	621600	(51800)	1716600	36.2
Jan.-	1906	1125000	670800	(55900)	1795800	37.4
Jan.-	1907	1205000	679200	(56600)	1884200	36.0
Jan.-	1908	1491000	708000	(59000)	2199000	32.2
Jan.-	1909	1475000	720000	(60000)	2195000	32.8
Jan.-	1910	1483000	691800	(57650)	2174800	31.8
Jan.-	1911	1739000	750000	(62500)	2489000	30.1

DEFENDANTS' EXHIBIT NO. 2,

(Date, May 24, 1912)

Report No. 2

	BIDS TENDERED			ORDERS TAKEN				
YEAR	DOMESTIC (N.T.)	EXPORT (N.T.)	TOTAL (N.T.)	DOMESTIC (N.T.)	EXPORT (N.T.)	TOTAL (N.T.)	PERCENTAGE Incl. Export	PERCENTAGE Excl. Export
1902	1222484	57415	1279897	491060	6184	497244	38.8	40.2
1903			*1002921			*414337	41.3	----
1904	989160	12892	1002052	388770	13414	402184	40.1	39.3
1905	1285767	48243	1334010	609232	28912	638144	47.8	47.4
1906	1181087	46933	1228020	498404	48303	546707	44.5	42.2
1907	1084916	53699	1138585	405463	42678	448141	39.3	37.3
1908	970347	24599	994946	224771	23346	248117	24.9	23.2
1909	1634678	39431	1674109	577561	38713	616274	36.8	35.3
1910	1293004	35908	1328912	366454	30078	396532	29.8	28.4

*Domestic and Export not separated in records for this year
The annual Production will not agree with above figures for work taken year by year, but the tonnage for a number of years will practically equal the tonnage taken for the same period.

practically equal the tonnage taken for the same period.

DEFENDANTS' EXHIBIT NO. 3,

(Date, May 24, 1912.)

SUMMARY OF CAPACITY OF BRIDGE BUILDING WORKS

Pages 12 to 22 - 1903 Supplement of A. I. & S. Association's Directory

	Net Tons	Per Cent.
AMERICAN BRIDGE COMPANY		
(Exclusive of Ambridge, then building),	645,120	33.1
Ambridge, actual capacity January, 1903,	24,000*	1.2
Total, American Bridge, ...	669,120	34.3
ILLINOIS STEEL COMPANY, ...	16,800	.8
Total, Corporation, ...	685,920	35.1
ALL OTHER WORKS, ...	1,267,448	64.9
Total, United States, ...	1,952,368	100.0

*The Association's Directory shows Ambridge as building with a total capacity when completed of from 201,000 to 270,000 net tons. In 1903 this plant had in operation a capacity of only 24,000 net tons. It was not completed to its full capacity until 1906.

DEFENDANTS' EXHIBIT NO. 4. (Date, May 24, 1912.)
LIST OF COMPETITORS OPERATING SHOPS, May 16, 1904.

NAME	LOCATION	ANNUAL CAPACITY IN TONS	CLASS OF WORK
Adams, J. D. & Co.	Indianapolis, Ind	600	Light Struct & Highway
Aetna Iron Works.	St. Louis, Mo.	3,000	" " " "
Albree, Chester B.I.Works	Allegheny, Pa.	1,000	" " " "
Althouse Wheeler Co.	Waupon, Wis.	1,000	" " " "
American Struct. Steel.	Carnegie, Pa.	4,000	Structural & Highway
Anderson Bridge Co.	Anderson, Ind.	100	Highway
Armourdale Fdry. Co.	Armourdale, Kan.	4,500	Structural
Ashland Iron & Steel Co.	Ashland, Wis.	100	Light Structural.
Attica Bridge Co.	Attica, Ind.	1,200	Highway Bridges
Archibald-Brady Co.	Syracuse, N. Y.	1,200	Structural
Baltimore Bridge Co.	Baltimore, Md.	9,600	R.R.Structural & Hwy.
Baker Iron Works	Los Angeles, Cal.	2,500	Structural & Highway
Bancroft, C. P.	Philadelphia, Pa.	400	Light Structural
Banner Iron Works.	St. Louis, Mo.	4,000	Structural & Highway
Bayley, Wm. & Sons Co.	Milwaukee, Wis.	1,200	" " "
Bedell, Chars. Iron Works	New Orleans, La.	2,500	" " "
Belleville Foudry.	Belleville, Ill.	900	" " "

Belmont Iron Works.	Philadelphia, Pa.	5,000	Structural.
Berlin Construction Co.	Berlin Conn.	3,600	" & Highway
Bellefontaine B.& I. Co.	Bellefintain, O.	1,500	Light Struct & Highway
Bogert & Carlough Co.	Paterson, N. J.	500	Structural & Highway
Bolinger, C. L. & Co.	Pittsburg, Pa.	2,000	Light Struct & Highway
Bolter, A. & Sons.	Chicago, Ill.	500	" " " "
Boston Bridge Works.	Boston, Mass.	18,000	R.R.Struct & Hwy Bdge.
Brode & Clark Iron Wks.	San Francisco, Cal.	1,000	Light Struct. & Highway
Bros Brothers.	Minneapolis, Minn.	7,000	" " " "
Brown-Ketchum.	Indianapolis, Ind.	18,000	Structural & Highway
Brown-Ketchum.	Greensburg, Pa.	12,000	" " "
Braman, O. E.	Jefferson, Wis.	100	Light Structural.
Buffalo Struct. Steel Co.	Buffalo, N. Y.	4,500	Structural & Highway.
Buffalo Construction Co.	Buffalo, N. Y.	1,200	" " "
Cambria Steel Co.	Johnstown, Pa.	2,000	R.R.Structural & Hwy.
Canton Bridge Co.	Canton, O.	2,000	Highway
Capital Iron Works	Topeka, Kan.	3,700	Light Structural.
* Carnegie Steel Co.	Pittsburg, Pa.	40,000	Beam & Fitted Work.
Carlin, Thomas.	Pittsburg, Pa.	2,000	Light Structural.
Central Iron Works.	Des Moines, Ia.	1,000	" "
Champion Iron Works.	Canton, O.	1,500	" "
Champion Iron Works.	Wilmington, O.	1,500	" "

Chicago Bridge & Iron Works.	Chicago, Ill.	15,000	Light Structural	9
Christopher & Simpson.				
Arch. Iron & Foundry Co.	St. Louis, Mo.	5,000	Structural	
Carolina Steel Bridge & Construction Co.	Burlington, N. C.	10,000	R.R. & Highway.	
Clapp, Geo. B.	Philadelphia, Pa.	400	Light Structural.	
Clark & Stowe.	Brooklyn, N. Y.	100	Light Structural	
Colnick, C. Mnfg. Co.	Milwaukee, Wis.	100	" "	
Colorado Iron Works.	Denver, Col.	4,500	Highway & Structural	
Columbia Machine Co.	Portland, Ore.	100	Light Struct & Highway	
Converse Bridge Co.	Chattanooga, Tenn.	1,000	" " " "	
Cornell, J. B. & J. M.	New York, N. Y.	20,000	Structural.	
Cooper-Wingand Co.	New York, N. Y.	2,400	"	
Crescent Iron Works.	Springfield, Mo.	3,700	"	
Crown Iron Works.	Minneapolis, Minn.	30,000	Light Structural.	
Cuff Iron Works.	Appleton, Wis.	100	" "	
Columbia Fdry. & Mchn. Co.	St. Joseph Mo.	500	" "	
Davis, F. M. Iron Works.	Denver, Col.	1,000	" " & Hwy.	
Davenport Fdry. & Mchn. Co.	Davenport, Ia.	500	" " " "	
Dauchy Iron Works.	Chicago, Ill.	500	" "	
Dauphin Bridge & Const. Co.	Dauphin, Pa.	3,000	" " " "	
Dearborn Foundry Co.	Chicago, Ill.	5,000	" "	

Denver Wire & Iron Works.	Denver, Col.	3,700	Light Structural.
Des Moines Brdg. & Iron Wks.	Des Moines, Ia.	900	" " & Hwy.
Dimond, Thomas.	New York, N. Y.	1,500	Structural.
Dugro, Phillip	Brooklyn, N. Y.	200	"
Dyer Brothers.	San Francisco, Cal.	3,000	"
Eagle Iron Works.	Brooklyn, N. Y.	100	Light Structural.
Eastern Bridge & Const Co.	Worcester, Mass.	3,600	R.R. Hwy. & Struct.
Eastern Fdry. & Mchn. Co.	Easton, Pa.	1,500	Structural & Highway.
Eau Clair. Fur. & Heat. Co.	Eau Clair, Wis	100	Light Structural.
Eichley, John Jr.	Pittsburg, Pa.	4,500	Structural
Elizabeth Bridge Co.	Elizabeth, Ill.	12,000	Highway & Structural
Elkhart Bridge Co.	Elkhart, Ind.	1,000	Highway.
Enterprise Iron Works.	Albert Lea, Minn.	50	Light Structural.
Excelsior Rolling Mills.	Alleman, Wis.	100	" "
East Chicago Brdg. & I.Wks.	East Chicago, Ill	3,600	Highway & Structural
Fagan Iron Works.	Jersey City, N. J.	4,800	Structural
Fair-Williams & Co.	Ottawa, Ia.	900	Light Structural.
Fairbault Machine Co.	Fairbault, Minn.	50	" "
Felgenhauser, E. & Sons,	Brooklyn, N. Y.	100	" "
Fisher, H. C.	Brooklyn, N. Y.	100	" "

Fluegal, Anton	Brooklyn, N. Y.	100	Light Structural	∞
Friberg, Charles A.	Brooklyn, N. Y.	100	" "	
Forest City Iron Works.	Cleveland, O.	4,000	Structural & Highway.	
Fort Pitt Bridge Works.	Pittsburg, Pa.	15,000	Structural & Highway.	
Fletcher & Crowell.	Portland, Me.	1,200	Light Structural.	
Funk Boiler Works.	La Crosse, Wis	1,000	Light Structural.	
Garrett Bros.	St. Louis, Mo.	2,000	Light Structural.	
Garry Iron & St. Co.	Cleveland, O.	3,000	" "	
Goeller Iron Wks.	Newark, N. J.	500	Light struct. & hwy.	
Gerst Eng. Co.	Bethlehem, Pa.	1,200	" " "	
Globe Iron & Fdry. Co	St. Louis, Mo.	3,500	Light structural.	
Greenslate Fdry. Co.	Milwaukee, Wis.	1,200	" "	
Groton Bridge Co.	Groton, N. Y.	1,200	Light structural & hwy.	
Guerber Eng. Co.	Bethlehem, Pa.	1,200	" " "	
Halsted, Jos.	Chicago, Ill.	500	Light structural.	
Hansell-Elcock Fdry. Co.	Chicago, Ill.	8,000	Struct. & Highway.	
Harris Mach. Co.	Minneapolis, Minn.	3,500	Light Structural.	
Harrower, H. C.	Buffalo, N. Y.	2,000	Structural.	
Hackworthy Cons. Co.	Appleton, Wis.	2,000	Light struct. & hwy.	
Hassell Iron Wks.	Colorado Springs.	4,000	" " "	
Hathorne Fdry. & Mach. Co.	Mason City, Ia.	1,200	Light structural.	

Haugh-Noelke Iron Works.	Indianapolis, Ind.	6,000	Light structural.
Hay Fdry. & Iron Wks.	Newark, N.J.	6,000	Structural.
Hafers, Chris. I. Wks.	New York City.	1,000	Light structural.
Happel, Adam.	New York City.	1,000	" "
Howell, H. M. & Co.	New York City.	500	" "
Hedden Iron Cons.Co.	Newark, N. J.	200	" "
Herzog Iron Works.	St. Paul, Minn.	2,000	Structural.
Heyl-Patterson.	Pittsburg, Pa.	5,000	"
Hecla Iron Works.	Brooklyn, N. Y.	1,000	"
Hinkel Iron Co.	New York City.	500	Light Structural.
Hofius W. P. & Co.	Seattle, Wash.	100	Light structural & hwy.
Holmes, Poytt & Co.	Chicago, Ill.	600	" " "
Horn-Jenett Iron Wks.	Chicago, Ill.	600	" " "
Illinois Bridge Co.	Jacksonville, Ill.	2,500	Light struct. & Hwy.
Indiana Bridge Co.	Muncie, Ind.	6,000	" " "
Indianapolis Bridge Co.	Indianapolis, Ind.	2,500	" " "
Iowa Iron Wks.	Dubuque, Ia.	10,000	" " "
Iron City Mfg. Co.	Pueblo, Col.	3,500	" " "
Iron Substructure Co.	Columbus, O.	500	" " "

Jardin, John.	Farho, N. D.	100	Light struct. & Hwy.
Johnson, O. H.	Minneapolis, Minn.	50	" " "
Joliet Bridge & Iron Co.	Joliet, Ill.	3,600	" " "
Judson Mfg. Co.	Oakland, Cal.	5,000	" " "
Jones & Laughlin, Ltd.	Pittsburgh, Pa.	30,000	R.R., Struct. & Hwy.
Jones, Benj. F.	New York City.	200	Light structural.
Kansas City Wire & I. Wks.	Rosedale, Kan. Riverside, Kan.	5,000	Struct. & hwy.
Kent, W. B., I. Co.	Chicago, Ill.	600	Light structural.
Kent Woodbridge Co.	Chicago, Ill.	6,000	Light struct. & hwy.
Killeen Fdry. Co.	New Orleans, La.	2,200	" " "
King, Geo. E.	Des Moines, Ia.	2,500	Highway.
King Bridge Co.	Cleveland, O.	15,000	R.R., Highway & Struct.
Keystone Cons.Co.	Royersford, Pa.	5,000	R.R., Highway & Struct.
Kratzer & Co.	Pittsburgh, Pa.	3,000	Light structural.
Kretz, K. E.	St. Cloud, Minn.	50	" "
Kunert, Mfg. Co.	Watertown, Wis.	300	" "
LaCrosse Steel Roofing & Corrugated Co.	LaCrosse, Wis.	600	Light structural.
LaCrosse Bridge & I. Co.	" "	600	Light struct. & hwy

Laman Bros.	Pueblo, Col.	5,500	Struct. & hwy.
Levering & Garrigues.	New York City.	5,000	Structural.
Llewellyn Iron Wks.	Los Angeles, Cal.	2,500	Light structural.
Louisville Bridge Co.,	Louisville, Ky.	5,000	Struct. & hwy.
Lewinson & Co.	New York City.	600	Beam work.
Lewis, Jas. B. & Co.	Detroit, Mich.	3,000	Light structural.
Maitland, F. B.	Montello, Wis.	100	Highway.
Manitowoc Steam Boiler Works.	Manitowoc, Wis.	100	"
Massillon Bridge Co.	Massillon, O.	3,500	R.R., Struct. & hwy.
Minneapolis Steel & Mach. Co.	Minneapolis, Minn.	18,000	" " "
Missouri Bridge Co.	East St. Louis, Ills.	100	Highway.
Missouri Valley Bridge & Iron Co.	Leavenworth, Kans.	3,600	R.R., & Highway.
Modern Steel Structural Co.	Waukesha, Wis.	10,000	Highway & Struct.
Mosher Fdry. Co.	Dallas, Tex.	2,700	Structural.
Michigan Bridge Co.	Portland, Mich.	500	Light struct. & Hwy.
Myer Bros.	Mankato, Minn.	100	" " "
McCullough, Geo.	Hammond, Wis.	100	" " "

Mesker Bros.	St. Louis, Mo.	800	Light struct. & Hwy
Morava Cons. Co.	Chicago, Ill.	2,500	" " "
Mt. Vernon Bridge Co.	Mt. Vernon, O.	3,500	" " "
Megquire & Jones.	Portland, Me.	3,000	" " "
Mehan Arch. Cons. Co.	New York City.	600	Light structural.
Milliken Bros.	New York City.	36,000	R.R., Hwy. & Struct.
McClintic-Marshall Co.	Pittsburgh, Pa.	25,000	" " "
" "	Pottstown, Pa.	15,000	" " "
McDonald Eng. Co.	Chicago, Ills.	500	Light structural.
McCarthy, A. F.	Philadelphia, Pa.	400	" "
Milwaukee Bridge Co.	Milwaukee, Wis.	1,000	Highway.
McKay, Thomas.	New York City.	500	Light structural.
McMurray & Bro. (R.T.)	Brooklyn, N. Y.	100	" "
National Iron Works.	St. Louis, Mo.	600	Light structural.
New Castle Bridge Co.	New Castle, Ind.	3,000	Highway & Structural.
New Prague Fdry. Co.	New Prague, Minn.	1,100	Light structural.
New England Struc. Co.	Boston, Mass.	12,000	Structural.
N. Y. Bridge & Iron Co.	New York City.	300	Light struct. & hwy.
New Jersey Bridge Co.	Manasquan, N. J.	5,000	Highway.
Noble, Patrick.	San Francisco, Cal.	2,000	structural.
Northwestern Fdry. Co.	Minneapolis, Minn.	4,000	Structural.

Obemberger, G., Forge Wks.	Milwaukee, Wis.	100	Light structural.
Oklahoma Fdry Co.	Oklahoma City, O.T.	100	" "
Oregonia Bridge Co.	Oregonia, O.	1,100	Light struct. & Hwy.
Owego Bridge Co.	Owego, N. Y.	4,800	R.R., Highway & struc.
Pacific Rolling Mills Co.	San Francisco, Cal.	2,500	Structural & Highway.
Pacific Iron Wks.	Portland, Ore.	100	Light structural.
Pan-American Bridge Co.	New Castle, Ind.	1,000	Light struct. & Hwy.
Parker, T. A.	Terre Haute, Ind.	1,500	" " "
Passaic Rolling Mills Co.	Paterson, N. J.	24,000	R.R., Highway & Struct.
Paxton & Vierling.	Omaha, Neb.	4,000	Structural.
Pennsylvania Steel Co.	Steelton, Pa.	70,000	R.R., Struct, & Hwy.
Penn Bridge Co.	Beaver Falls, Pa.	5,000	" " "
Phoenix Bridge Co.	Phoenixville, Pa.	36,000	" " "
Pierpont & Heaton.	Provo, Utah.	1,000	Light Struct. & Hwy.
Pisstish, Fred.	Milwaukee, Wis.	200	" " "
Pittsburgh Steel Cons. Co.	Pittsburgh, Pa.	4,000	Structural.
Portage Iron Wks.	Portage, Wis.	100	Light structural.
Pothoff & Frey.	Pittsburgh, Pa.	2,000	" "
Presteem, Peter.	Nero, Wis.	100	" "
Pritzloff, John, Hardware.	Milwaukee, Wis.	600	" "
Puget Sound Dry-Dock Co.	Tocoma, Wash.	1,200	Light struct. & hwy.

Puget Sound Bridge & Dredging Co.	Seattle, Wash.	100	Light struct. & Hwy.
Prince & Kinkle I. Wks.	New York City.	1,000	" " "
Poppke & Son.	Brooklyn, N. Y.	100	" " "
Pirkl, John.	Brooklyn, N. Y.	500	" " "
Quackenbush, John G.	Webster City, Ia.	75	" " "
Queen City Fdry Co.	Denver, Col.	14,000	Structural & Hwy.
Radley, J. J. & Co.	New York City.	2,400	" "
Ralston Iron Wks.	San Francisco, Calif.	2,000	Structural.
Rapp & Speidel.	N. Y. City.	600	Beam & Light struct.
Risdon Iron Wks.	San Francisco, Cal.	2,000	Light structural.
Riter-Conley Mfg. Co.	Pittsburgh, Pa.	20,000	R.R., Struct. & Hwy.
Riverside Bridge Co.	Wheeling W. Va.	2,000	Light struct. & Hwy.
Rochester Bridge Co.	Rochester, Ind.	800	" " "
Rochester Bdge. & Cons. Co.	Montour Falls, N. Y.	2,400	" " "
Russell Wheel & Fdry. Co.	Detroit, Mich.	600	Light structural.
Rogers Iron Co.	Springfield, O.	500	" "
Ravitch Bros.	New York City.	500	" "

Salt Lake Eng. Co.	Salt Lake City, Utah.		
San Francisco Bridge Co.	San Francisco, Cal.	1,000	Light struct. & Hwy.
Schreiber, E.A., I. Wks.	Chicago, Ill.	500	" " "
Schreiber, L., & Son Co.	Cincinnati, O.	500	Light structural.
Schurk Iron Wks.	St. Louis, Mo.	5,000	Structural & Hwy.
Schneider, M.	Chicago, Ill.	1,200	Light structural.
Scaife, Wm. E. & Sons	Pittsburg, Pa.	300	" "
Schuylkill Bridge Co.	Pottstown, Pa.	4,000	" " & Hwy.
Seaton, John	Atchison, Kas.	7,800	R.R. Str. & Hwy.
Seavers Mfg. Co.	Oskaloosa, Ia.	5,000	Struct. & Hwy.
Shadbolt & Boyd Iron Co.	Milwaukee, Wis.	600	Light Structural
Sherwin, E. C. & Co.	Brendon, Wis.	300	" "
Shortville, A. E. Co.	Marshalltown, Ia.	300	" "
Silver Boe Fdry. Co.	Butte, Mont.	3,600	" " & Hwy.
Silver Bros.	Salt Lake City, Utah	1,000	" "
Skobisa Bros.	Milwaukee, Wis.	2,500	" "
Smith G. W. & F. Iron Co.	Boston, Mass.	1,200	" "
South Halsted St. I.Wks.	Chicago, Ill.	6,000	Structural
Southern Bridge Co.	Birmingham, Ala.	6,000	"
Springfield Cons. Co.	Springfield, Mass.	1,500	Highway.
Snare & Triest Co.	Jersey City, N. J.	700	Structural.
		600	Structural & Beam

Spuch, J. Arch. I. Wks.	St. Louis, Mo.	3,000	Light Struct.
Standard Bridge Co.	Omaha, Nebr.	100	Highway
Snead Bridge & Ir. Co.	Jersey City, N. J.	2,400	Light Struct.
Snead Arch. I. Wks.	Louisville, Ky.	3,000	Light Struct. & Hwy.
Sterling Iron Works	Springfield, Mo.	3,500	" " "
Stewart Iron Works-	St. Louis, Mo.	300	" "
" " "	Cincinnati, O.	5,000	" "
St. Louis Arch. I. Wks.	St. Louis, Mo.	800	" "
Streeter, H. A.	Chicago, Ill.	500	" "
St. Paul Fdry Co.	St. Paul, Minn.	10,000	Structural
Steel & Wike	Philadelphia, Pa.	1,800	Light Struct.
Stevens & Hannis	Philadelphia, Pa.	400	" "
Stupp Bros. Bridge & I.	Co. St. Louis, Mo.	5,000	Lt. Struct. & Hwy
Springfield Bridge & I.	Wks. Springfield, Ill.	500	" " "
Sutton & Son	New Orleans, La.	1,700	" " "
Seattle Iron Works	Seattle, Wash.	500	" "
Sumner Iron Wks.	Everett Wash.	500	" "
Timmerman, H.	Ontario, Wis.	100	Lt. Struct. & Hwy.
Toepfer, Wm. & Sons I. Wks.	Milwaukee, Wis.	300	" " "
Union Iron & Fdry Co.	St. Louis, Mo.	6,000	Lt. Struct. & Hwy.
Union Iron Works	Oshkosh, Wis.	100	" " "

Union Iron Works	Los Angeles, Cal.	1,000	Lt. Struct. & Hwy.
Union Foundry Co.	Chicago, Ill.	250	" " "
Valley Iron Works	Appleton, Wis.	100	Light Struct.
Variwty Iron Works	Seattle, Wash.	1,200	" " & Hwy.
Van Dorn Iron Works	Cleveland, O.	2,500	Light Struct.
Vaile & Young	Baltimore, Md.	2,500	" "
Virginia Bridge & I. Co.	Roanoke, Va.	3,600	Lt. Struct. & Hwy.
Vierling & McDowell	Chicago, Ill	6,000	Light Struct.
Vincennes Bridge Co.	Vinvennes, Ind.	1,000	Lt. Struct. & Hwy.
Voggenthaler, R. J. & Co.	Dubuque, Ia.	900	" " "
Vulcan Iron Works	Denver Colo.	600	Light Structural
Wagner, A. F. Arch. Wks.	Milwaukee, Wis.	300	Light Struct.
Wagner, J. C. Iron Wks.	Milwaukee, Wis.	200	" "
Walton Iron Works	Cincinnati, O.	2,000	" "
West Va. Bridge & Cons. Co.	Wheeling, W. Va.	3,500	Lt. Struct & Hwy
Western Iron Wks.	San Francisco, Ca.	2,000	Light Struct.
Westtermann Iron Wks.	Seattle, Wash.	600	" "
Western Bridge Co.	Chicago, Ill.	500	Lt. Struct. & Hwy.
West Side Foundry	Troy, N. Y.	500	" "

Whitehead & Kails Co.	Detroit, Mich.	3,000	Light Struct.
Wichita Bridge & I. Co.	Wichita, Kan.	2,500	Lt. Struct. & Hwy.
Willamette Iron Wks.-	Portland, Oreg.	500	Lt. Structural
Worden-Allen Co.	Milwaukee, Wis.	500	" "
York Bridge Co.	York, Pa.	3,000	Highway
York Fdry & Mach. Co.	York, Neb.	500	Lt. Structural
		1,027,425	
* Eliminating Carnegie Steel Co.		40,000	
		987,425	

DEFENDANTS' EXHIBIT NO. 5.

May 24, 1912.

LIST OF COMPETITORS OPERATING SHOPS, May 15, 1905.

NAME	LOCATION	ANNUAL CAPACITY IN TONS	CLASS OF WORK.
Aetna Iron Works, Inc.	St.Louis, Mo.	3,000	Light struct.& Hwy.
Albree,Chester B.I.Wks.	Allegheny, Pa.	1,000	" " "
Alexandria Iron Works.	Alexandria, Va.	1,500	Structural.
Althouse, Wheeler Co.	Waupon, Wis.	1,000	Light struct.& Hwy.
American Struct. Steel Co.	Carnegie & Pittsburgh, Pa.	4,000	Structural & Hwy.
American Struct.Steel Co	New York, N.Y.	5,000	Structural.
Anderson Bridge & Scraper Co.	Anderson, Ind.	100	Highway.
Armourdale Fdry Co.	Armourdale, Kan. & Kansas City, Mo.	4,500	Structural.
Archbold-Brady Co.	Syracuse, N. Y.	1,200	"
Ashland Iron & Steel Co.	Ashland, Wis.	100	Light Structural.
Attica Bridge & Mach.Co.	Attica, Ind.	1,200	Highway Bridges.
Baltimore Bridge Co.	Baltimore, Md.	9,600	R.R., Struct. & Hwy.
Baker Iron Wks. Inc.	Los Angeles, Cal.	2,500	Structural & Hwy.
Bancroft, Charles P.	Philadelphia, Pa.	400	Light structural.

Banner Iron Works.	St. Louis, Mo.	4,000	Struct. & Hwy.
Barber & Ross.	Washington, D. C.	600	Light struct. & Hwy.
Bayley, Wm. & Sons Co.	Milwaukee, Wis.	1,200	Structural & Hwy.
Bedell, Struct. Steel & Fdry. Co.	New Orleans,	2,500	" "
Belleville Fdry. Co.	Belleville, Ill.	900	" "
Belmont Iron Works.	Philadelphia, Pa.	5,000	Structural.
Bellefontaine Bridge & Iron Co.	Bellefontaine, O.	1,500	Light struct. & Hwy.
Berlin Cons. Co.	Berlin, Conn.	3,600	Struct. & Highway.
Bogert & Carlough Co.	Paterson, N. J.	500	" "
Bolinger, C. L. & Co.	Pittsburgh, Pa.	2,000	Light struct. & Hwy.
Bolter, A. & Sons.	Chicago, Ill.	500	" " "
Boston Bridge Works, Inc.	Boston, Mass.	18,000	R.R., Struct. & Hwy.
Brackett Bridge Co.	Cincinnati, O.	1,500	Highway bridges.
Brode & Clark Iron Wks.	San Francisco, Cal.	1,000	Light struct. & Hwy.
Bros Brothers Boiler & Manufacturing Co.	Minneapolis, Minn.	7,000	" " "
Brown-Ketchum Iron Wks.	Indianapolis, Ind.	18,000	Struct & Highway.
" " " "	Greensburgh, Pa.	12,000	Light struct & Hwy.
Braman, C. E.	Jefferson, Wis.	100	Light structural.
Buffalo Structural Steel Co.	Buffalo, N. Y.	4,500	Structural & Highway.

Cambria Steel Co.	Johnstown, Pa.	30,000	R.R., Struct. & Hwy.
Canton Bridge Co.	Canton, O.	2,000	Highway.
Capital Iron Works.	Topeka, Kan.	3,700	Light structural.
Carnegie Steel Co.	Pittsburgh, Pa.	40,000	Beam & Fitted work.
Carlin's Jas. Sons Co.	Pittsburgh, Pa.	2,000	Light structural.
Carolina Steel Bridge & Cons. Co. (Purchased By Va. Bdge. Co.)	Burlington, N. C.	10,000	R. R., & Highway.
Central Iron Works.	Quincy, Ill.	1,000	Light structural.
Champion Bridge Co.	Canton, O.	1,500	" "
Champion Bridge Co.	Wilmington, O.	1,500	Hwy. & Light struct.
Chicago Bridge & Iron Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Chelmsford Fdry. Co.	Boston, Mass.	6,000	Structural.
Christopher & Simpson Arch. Iron & Fdry. Co.	St. Louis, Mo.	5,000	"
Clapp, Geo. B.	Philadelphia, Pa.	400	Light structural.
Clark & Stowe	Brooklyn, N. Y.	100	" "
Clinton Bdge. & Iron Wks.	Clinton, Ia.	6,000	Highway & Struct.
Colnick, C. Mfg. Co.	Milwaukee, Wis.	100	Light structural.
Colorado Iron Works Co.	Denver, Col.	4,500	Highway & Struct.
Columbia Eng. Wks.	Portland, Ore.	100	Light struct & Hwy.
Columbia Bridge Co. (Operated by Penn. Bdge. Co.)	Carnegie, Pa.	4,000	Highway & Struct.
Columbia Fdry. & Mach. Co.	St. Joseph, Mo.	500	Light structural.

Converse Bridge Co.	Chattanooga,Tenn.	1,000	Highway & Structural.
Converse,H. P. & Co.	Boston, Mass.	1,000	Structural.
Cooper-Wigand-Cooke Co.	New York City.	2,400	"
Cornell, J. B. & J. M.	"	20,000	"
Crown Iron Works.	Minneapolis,Minn.	30,000	Light structural.
Davis, F.M. Iron Works	Denver, Colo.	1,000	Light struct. & Hwy.
Davenport Fdry. & Mach. Co.	Davenport, Ia.	500	" " "
Dauchy Iron Works.	Chicago, Ill.	500	Light structural.
Dauphin Bridge & Cons. Co.	Dauphin, Pa.	3,000	Light struct. & Hwy.
Dearborn Fdry. Co.	Chicago, Ill.	5,000	" " "
Denver Iron & Wire Wks.	Denver, Colo.	3,700	Light structural.
Des Moines Bdge.& I.Wks.	Des Moines, Ia.	900	Light struct. & Hwy.
Dimond, Thomas.	New York City.	1,500	Structural.
Doman, H. L. & Co.	Oshkosh, Wis.	100	Light struct. & Hwy.
Dugro, Philip.	Brooklyn, N. Y.	200	Structural.
Dyer Brothers.	San Francisco, Cal.	3,000	"
Eagle Iron Works.	Brooklyn, N.Y.	100	Light structural.
Eastern Bdge.& Struct. Co.	Worcester, Mass.	3,600	R.R.,Struct. & Hwy.
East Chic.Bdge.& I.Wks.	East Chicago,Ill.	3,600	Highway & Structural.
Easton Fdry.& Mach. Co.	Easton, Pa.	1,500	" "
EauClaire Cornice & Heat Co.	EauClaire, Wis.	100	Light structural.

Eichleay, John, Jr. Co.	Pittsburg, Pa.	4,500	Structural.
Elizabeth Bridge Co.	Elizabeth, Ill.	12,000	Struct. & Hwy.
Elkhart Bridge Co.	Elkhart, Ind.	1,000	Highway.
Enterprise Iron Works.	Albert Lea, Minn.	50	Light structural.
Excelsior Rolling Mills.	Alleman, Wis.	100	" "
Fagan Iron Works.	Hoboken, N. J.	4,800	Structural.
Fair-Williams Bdge. & & Mfg. Co.	Ottumwa, Ia.	900	Light structural.
Fairbault Mach. Co.	Fairbault, Minn.	50	" "
Felgenhauer's E., Sons.	Brooklyn, N. Y.	100	" "
Fischer, Henry C.	"	100	" "
Fletcher & Crowell Co.	Portland, Wis.	1,200	" "
Fluegel, Anton.	Brooklyn, N. Y.	100	" "
Forest City Steel & I. Co.	Cleveland, O.	4,000	Struct. & Hwy.
Fort Pitt Bridge Works.	Pittsburg, Pa.	15,000	" "
Friberg, James.	Brooklyn, N. Y.	100	Light structural.
Funk, M., Boiler Works,	LaCrosse, Wis.	1,000	" "
Garry Iron & Steel Co.	Cleveland, O.	3,000	Light structural.
Gerst Bros. Mfg. Co.	St. Louis, Mo.	1,200	Light struct. & Hwy.
Goeller Iron Wks.	Newark, N. Y.	500	" " "
Globe Iron Works.	St. Louis, Mo.	3,500	Light structural.

Greenslade Foundry Co.	Milwaukee, Wis.	1,200	Light structural.
Groton Bridge Co.	Groton, N. Y.	1,200	" " & Hwy.
Guerber Engineering Co.	Bethlehem, Pa.	1,200	" " "
Halstead, Jos.	Chicago, Ill.	500	Light structural.
Hansell-Elcock Co.	"	8,000	Structural & Hwy.
Harris Machinery Co.	Minneapolis, Minn.	3,500	Light structural.
Harrower, H. C.	Buffalo, N. Y.	2,000	Structural.
Hackworthy Cons. Co.	Appleton, Wis.	2,000	Light struct. & Hwy.
Hassell Iron Wks. Co.	Colorado Springs, Col.	4,000	" " "
Hathorn Fdry. & Mach. Co.	Mason City, Ia.	1,200	Light structural.
Hay Fdry. & Iron Wks.	Newark, N. J.	6,000	Structural.
Hafers, Chris. I. Wks. Co. (Inc.)	N. Y. City.	1,000	Light structural.
Happel, Adam.	New York City.	1,000	" "
Hedden, Iron Cons. Co.	Newark, N. J.	200	" "
Herzog Iron Works.	St. Paul, Minn.	2,000	Structural.
Hecla Iron Works.	Brooklyn, N. Y.	1,000	"
Heyl & Patterson	Pittsburg, Pa.	5,000	"
Hinkle Iron Co.	New York City.	500	Light structural.
Hofius, W. D. & Co.	Seattle, Wash.	100	Light struct. & Hwy.
Holmes, Pyott & Co.	Chicago, Ill.	600	" " "
Horn, Wm., Struct. I. Wks.	Chicago, Ill.	600	" " "
Howell, H. M. & Co.	New York City.	200	Light structural.

Hudson Struct. Co.	Jersey City, N. J.	1,500	Structural.
Hennepin Bridge Co.	Minneapolis, Minn.	50	Light struct. & Hwy.
Illinois Bridge & Mach.Co.	Jacksonville, Ill.	2,500	Light struct. & Hwy.
Illinois Steel Co.	Chicago, Ill.	30,000	Railway & Struct.
Indiana Bridge Co.	Muncie, Ind.	6,000	Light struct. & Hwy.
Indianapolis Bdge.& I.Wks.	Indianapolis, Ind.	2,500	" " "
Iron City Mfg. Co.	Pueblo, Colo.	3,500	" " "
Jardine, John R.	Farho, Ind.	100	" " "
Joliet Bridge & Iron Co.	Joliet, Ill.	3,600	" " "
Judson Mfg. Co.	San Francisco, Cal.	5,000	" " "
Jones & Laughlins Steel Co.	Pittsburg, Pa.	30,000	R.R., Struct. & Hwy.
Jones, Benj. F.	New York City.	200	Light structural.
Kansas City Wire &I.Wks.	Rosedale, Kan.	5,000	Struct. & Hwy.
Kansas City Bridge Co.	Kansas City, Mo.	300	Highway.
Kent, W.D., Iron Co.	Chicago, Ill.	600	Light structural.
Kenwood Bridge Co.	"	6,000	Light struct. & Hwy.
Killeen's Foundry.	New Orleans, La.	2,200	Light struct. & Hwy.
King, George E. Bdge.Co.	Des Moines, Ia.	2,500	Highway.
King Bridge Co.	Cleveland, O.	15,000	R.R., Struct. & Hwy.
Kratzer, W. H. & Co.	Pittsburg, Pa.	3,000	Light structural.

Kreatz, F.E.	St. Cloud, Minn.	50	Light structural.
Kunert Mfg. Co.	Watertown, Wis.	300	" "
Keystone Struct. Co.	Royersford, Pa.	5,000	Struct. & Hwy.
LaCrosse Steel Roofing & Corrugated Co.	LaCrosse, Wis.	600	" "
LaCrosse Bridge & Steel Co.	" "	600	" "
Laman Brothers	Pueblo, Colo.	5,500	Struct. & Hwy.
Levering & Garrigues Co.	N. Y. City.	5,000	Structural.
Lewinson & Co.	"	600	Beam work.
Lewis, Jas. B. & Co.	Detroit, Mich.	3,000	Light structural.
Llewellyn Iron Works	Los Angeles, Cal.	2,500	" "
Louisville Bdge.& I. Co.	Louisville, Ky.	5,000	Struct. & Hwy.
Lauer & Harper Co.	Westport, Md.	200	Structural.
Maitland, W. B.	Montello, Wis.	100	Highway.
Manitowoc Steam Boiler Wks.	Manitowoc, Wis.	100	"
Massillon Bridge Co.	Massillon, O.	3,500	R.R., Struct. & Hwy.
(Operated by Toledo-Massillon Bridge Co.)			
McCullough, George.	Hammond, Wis.	100	R.R., Struct.& Hwy.
McClintic-Marshall Cons. Co.	Pittsburg, Pa.	25,000	" " "
" " "	Pottstown, Pa.	15,000	" " "

McDonald Eng. Co.	Chicago, Ill.	500	Light structural.
McCarthy, A. F. & Co.	Philadelphia, Pa.	400	" "
McKay, Thomas.	New York City	500	" "
McMurray, Rob't T. & Bro.	Brooklyn, N. Y.	100	" "
Meeker & Bro.	St. Louis, Mo.	800	" " & Hwy.
Megquier & Jones Co.	Portland, Me.	3,000	" " "
Melan Arch. Cons. Co.	New York City.	600	Light structural.
Minneapolis Steel & Mach. Co.	Minneapolis, Minn.	18,000	R. R., Struct. & Hwy.
Missouri Bridge Co.	East St. Louis, Ill.	100	Highway.
Missouri Valley Bridge & Iron Co.	Leavenworth, Kan.	3,600	R. R., & Highway.
Modern Steel Struct. Co.	Waukesha, Wis.	10,000	Highway & Struct.
Michigan Bridge Co.	Portland, Mich.	500	Light struct. & Hwy.
Milliken Brothers.	New York City.	36,000	R. R., Hwy. & Struct.
Milwaukee Bridge Co.	Milwaukee, Wis.	1,000	Highway.
Mosher Mfg. Co.	Dallas, Texas.	2,700	Structural.
Morava Cons. Co.	Chicago, Ill.	2,500	Light struct. & Hwy.
Mt. Vernon Bridge Co.	Mt. Vernon, O.	3,500	" " "
Myer Brothers.	Mankato, Minn.	100	" " "
McGill, James H.	Washington, D. C.	100	Structural.
National Iron Works.	St. Louis, Mo.	600	Light structural.
New Castle Bridge Co.	New Castle, Ind.	3,000	Highway & Struct.

New Prague Fdry. Co.	New Prague, Minn.	1,100	Light structural.
New England Struct.Co.	Everett, Mass.	12,000	Structural.
N. Y. Bridge & Iron Co.	New York City.	300	Light struct. & Hwy.
New Jersey Bridge Co.	Manasquan, N. J.	5,000	Highway.
Noble, Patrick.	San Francisco, Cal.	2,000	Structural.
Northwestern Fdry. Co.	Minneapolis, Minn.	4,000	"
Noelke-Richards Iron Wks.	Indianapolis, Ind.	6,000	Light structural.
Obenberger,J.& G. Co.	Milwaukee, Wis.	100	" "
Oklahoma Fdry.& Iron Wks.	Oklahoma City, O.T.	100	" "
Oregonia Bridge Co.	Lebanon, O.	1,000	Light struct. & Hwy.
Owego Bridge Co.	Owego, N. Y.	4,800	R.R., Struct. & Hwy.
Pacific Iron Works.	Portland, Ore.	100	Light structural.
Pan-American Bridge Co.	New Castle, Ind.	1,000	Light struct. & Hwy.
Parker, Thatcher A.	Terre Haute, Ind.	1,500	" " "
Passaic Steel Co.	Patterson, N. J.	24,000	R.R., Struct. & Hwy.
Paxton & Vierling.	Omaha, Neb.	4,000	Structural.
Pennsylvania Steel Co.	Steelton, Pa.	70,000	R.R., Struct. & Hwy.
Penn Bridge Co.	Beaver Falls, Pa.	5,000	" " "
Phoenix Bridge Co.	Phoenixville, Pa.	36,000	" " "
Pierpont & Heaton	Provo, Utah,	1,000	Light Struct. & Hwy.
Pietsch, Ferdinand.	Milwaukee, Wis.	200	" " "
Pittsburg Steel Cons.Co.	Economy, Pa.	4,000	Structural.
Pirkl, John, Iron Works.	Brooklyn, N. Y.	500	Light struct. & Hwy.

Portage Iron Works.	Portage, Wis.	100	Light structural.
Pothoff & Frey Iron Wks.	Cincinnati, O.	2,000	" "
Poppke & Son.	Brooklyn, N. Y.	100	Light struct. & Hwy.
Presteem, Peter.	Nero, Wis.	100	Light structural.
Pritzlaff, John Hardware Co.	Milwaukee, Wis.	600	" "
Prince Iron Works.	New York City.	1,000	Light struct. & Hwy.
Puget Sound Dry Dock & Mach. Co.	Tacoma, Wash.	1,200	Light struct. & Hwy.
Puget Sound Bridge & Dredging Co.	Settle, Wash.	100	" " "
Quackenbusch, John E.	Webster City, Ia.	75	" " "
Queen City Fdry. Co.	Denver, Colo.	14,000	Structural & Hwy.
Rarig Engineering Co.	Columbus, O.	500	Light struct & Hwy.
Radley, J. J.,& Co.,Inc.	N. Y. City.	2,400	Struct. & Hwy.
Ralston Iron Works.	San Francisco,Cal.	2,000	Structural.
Rapp Iron Works	New York City.	600	Beam & Light struct.
Ravitch Brothers.	" " "	500	Light structural.
Risdon Iron & Locomotive Works.	San Francisco.	2,000	" "
Riter- Conley Mfg. Co.	Pittsburg, Pa.	20,000	R. R., Struct. & Hwy.
Rochester Bridge & Cons. Co.	Montour Falls,N. Y.	2,400	Light struct. & Hwy.

Rochester Bridge Co.	Rochester, Ind.	800	Light struct. & Hwy.
Riverside Bridge Co.	Wheeling, W. Va. & Martins Ferry, O.	2,000	Light struct & Hwy.
Rogers Iron Co.	Springfield, O.	500	Light structural.
Russell Wheel & Fdry. Co.	Detroit, Mich.	600	" "
Salt Lake Eng. Co.	Salt Lake City, Utah.	1,000	Light struct. & Hwy.
Sandblom, Gustave, Arch. I. Wks.	Brooklyn, N. Y.	1,000	Structural.
San Francisco Bridge Co.	San Francisco, Cal.	500	"
Schreiber, E. A.	Chicago, Ill.	500	Light structural.
Schrieber, L. & Son Co.	Cincinnati, O.	5,000	Struct. & Highway.
Schurk Iron Works.	St. Louis, Mo.	1,200	Light structural.
Schneider, M.	Chicago, Ill.	300	" "
Silver Bros. Iron Wks.Co.	Salt Lake City.	2,500	" "
Scaife, Wm. B. & Sons Co.	Pittsburg, Pa.	4,000	Light struct. & Hwy.
Seaton, John Fdry. & Mfg. Co.	Atchison, Kan.	4,000	Structural & Highway.
Seavers Mfg. Co.	Oskaloosa, Ia.	600	Light structural.
Seattke Hardware Co.	Seattle, Wash.	500	" "
Shadbolt & Boyd Iron Co.	Milwaukee, Wis.	300	" "
Sherwin, E. C. & Son.	Brendon, Wis.	300	" "
Shorthill, A. E. Co.	Marshalltown, Ia.	3,600	Light struct & Hwy.
Silver Bow Fdry. Co.	Butte, Mon.	1,000	Light structural.

Skobis Bros.	Milwaukee, Wis.	1,200	Light structural.
Smith, G.W. & F. Iron Co.	Boston, Mass.	6,000	Structural.
Snare & Triest Co.	New York City.	600	Structural & Beam.
Shoemaker, Lewis F. & Co.	Pottstown, Pa.	7,800	R. R., Struct. & Hwy.
Snead & Co. Iron Wks.	Jersey City, N. J.	2,400	Light structural.
Snead Arch. Iron Works.	Louisville, Ky.	3,000	Light struct. & Hwy.
South Halstead St. I.Wks.	Chicago, Ill.	6,000	Structural.
Southern Bridge Co.	Birmingham, Ala.	1,500	Highway.
Southwestern Bridge & I. Co.	Enid, O.T.	400	Highway.
Springfield Cons . Co.	Springfield, Mass.	700	Structural.
Spuch, J. Arch. I. Wks.	St. Louis, Mo.	3,000	Light structural.
Springfield Bdge. & I. Wks.	Springfield, Ill.	500	Light struct. & Hwy.
Standard Bridge Co.	Omaha, Neb.	100	Highway.
Sterling Iron Works.	Springfield, Mo.	2,500	Light struct. & Hwy.
Stewart Iron Works Co.	Covington, Ky.	300	Light structural.
" " "	Cincinnati, O.	5,000	" "
St. Louis Arch. I. Co.	St. Louis, Mo.	800	" "
Streeter, H. A.	Chicago, Ill.	500	" "
St. Paul Fdry. Co.	St. Paul, Minn.	10,000	Structural.
Steel & Wike.	Philadelphia, Pa.	1,800	Light structural.
Steward & Stevens I. Wks.	Philadelphia, Pa.	400	" "
Stupp Bros. Bdge.& I.Co.	St. Louis, Mo.	5,000	Light Struct. & Hwy.
Sutton, Jos.	New Orleans, La.	1,700	Light struct.& Hwy.

Sumner Iron Works.	Everett, Wash.	500	Light structural.
Smith & Lovett Co.	Boston, Mass.	1,200	Structural.
Timmerman, H.	Ontario, Wis.	100	Light struct. & Hwy.
Toepfer, Wm. & Sons.	Milwaukee, Wis.	300	" " "
Texas Bridge Co.	Ft. Worth, Texas.	500	Highway.
Toledo-Massillon Bridge Co. (Operates Massillon Bridge Co.)	Massillon, O.	3,500	Highway & Struct.
Union Iron & Fdry. Co.	St. Louis, Mo.	6,000	Light struct. & Hwy.
Union Iron Works.	Los Angeles, Cal.	1,000	" " "
Union Fdry Works.	Chicago, Ill.	250	" " "
United Iron Works Co.	Springfield.	3,700	Structural.
Valley Iron Works,	Williamsport, Pa.	100	Light structural.
Variety Iron Works.	Cleveland, O.	1,200	Light struct. & Hwy.
VanDorn Iron Works.	" "	2,500	Light structural.
Vaile & Young.	Baltimore, Md.	2,500	" "
Virginia Bridge & I. Co.	Roanoke, Va.	3,600	" "
Vierling & McDowell Co.	Chicago, Ill.	6,000	" "
Vincennes Bridge Co.	Vincennes, Ind.	1,000	Light struct. & Hwy.
Vogenthaler, E. J.	Dubuque, Ia.	900	" " "
Vulcan Iron Works Co.	Denver, Colo.	600	Light structural.
Wagner, Adolph F.	Milwaukee, Wis.	300	" "

Walton Iron Co.	Cincinnati, O.	2,000	Light Structural.
West Va. Bdge. & Cons. Co.	Wheeling, W. Va.	3,500	Light struct & Hwy.
Western Iron Works.	San Francisco, Cal.	2,000	Light structural.
Westermann Iron Works.	Seattle, Wash.	600	" "
West Side Fdry. Co.	Troy, N. Y.	500	" "
Whitehead & Kales Co.	Detroit, Mich.	3,000	" "
Willamette Iron & Steel Wks.	Portland, Ore.	500	" "
Wisconsin Bridge & Iron Co.	Milwaukee, Wis.	24,000	R. R., & Struct.
Wichita Bridge & Iron Co.	Wichita, Kan.	2,500	Light struct. & Hwy.
Worden Allen Co.	Milwaukee, Wis.	500	Railraod & Struct.
York Bridge Co.	York, Pa.	3,000	Highway.
York Fdry. & Engine Wks.	York, Neb.	500	Light structural.
Yant, N. D. & Co.	Allegheny, Pa.	600	" "
		1,114.825	
Eliminating Carnegie Steel Co.	40,000		
" Illinois Steel Co.	30,000	70,000	
		1,044,825	

DEFENDANTS' EXHIBIT NO. 6.
May 24, 1912.

LIST OF COMPETITORS OPERATING SHOPS, May 15, 1906.

NAME	LOCATION	ANNUAL CAPACITY IN TONS	CLASS OF WORK.
Aetna Iron Works	St. Louis, Mo.	3,000	Light struct. & Hwy.
Albree, Chester B., I. Wks.	Allegheny, Pa.	1,000	" " "
Alexandria Iron Works	Alexandria, Va.	1,500	Structural
American Struct. Steel Co.	Carnegie & Pittsburg, Pa.	4,000	Struct. & Hwy.
Anaconda Copper Mining Co. Foundry Department	Anaconda, Mont.	200	Light structural.
Anderson Bdg. & Scraper Co.	Anderson, Ind.	100	Highway.
Armourdale Fdry.	Armourdale, Kan. & Kansas City, Mo.	6,000	Structural.
Archbold-Brady Co.	Syracuse, N. Y.	1,200	"
Attica Bridge & Mach. Co.	Attica, Ind.	1,200	Highway.
Baltimore Bdge. Co.	Baltimore, Md.	9,600	R.R., Struct. & Hwy.
Baker Iron Works, Inc.	Los Angeles, Cal.	2,000	Struct. & Hwy.
Bancroft, Clarhes P.	Philadelphia, Pa.	400	Light structural.

Banner Iron Works.	St. Louis, Mo.	2,400	Structural & Hwy.
Barber & Ross.	Washington, D. C.	600	Light struct. & Hwy.
Bartlett Steel Co.	Joplin, Mo.	500	Structural.
Bayley & Sons Co.	Milwaukee, Wis.	1,200	Struct & Hwy.
Bedell Struct. Steel & Foundry Co.	New Orleans, La.	2,500	" "
Belleville Foundry Co.	Belleville, Ill.	900	" "
Belmont Iron Works.	Chester, Pa.	12,000	Structural.
Bellefontaine Br.& I.Co.	Bellefontaine, O.	1,500	Light struct.
Berlin Cons. Co.	Berlin, Conn.	7,500	Struct. & Hwy.
Bogert & Carlough Co.	Paterson, N. J.	500	" "
Berry Foundry Co.	St. Joseph, Mo.	1,000	Structural.
Bolinger, C.L. & Co.	Pittsburg, Pa.	2,000	Light Struct & Hwy.
Bolter, A.& Sons.	Chicago, Ill.	4,000	" "
Boston Bridge Wks.,Inc.	Boston, Mass.	18,000	R. R., Struct. & Hwy.
Bowles, J. R.	Portland, Ore.	1,000	Struct. & Hwy.
Brackett Bridge Co.	Cincinnati, O.	1,500	Highway.
Brode & Clark.	San Francisco.	500	Light struct. & Hwy.
Bros Brothers Boiler & Mfg. Co.	Minneapolis, Minn.	7,000	" " "
Brown-Ketchum Iron Wks.	Indianapolis, Ind.	18,000	Struct. & Hwy.
" " " "	Greensburgh, Pa.	12,000	Light struct. & Hwy.
Browne, F. O.	Denver, Colo.	250	Structural.
Buffalo Struct. Steel Co.	Buffalo, N. Y.	4,500	Struct & Hwy.

Cambria Steel Co.	Johnstown, Pa.	30,000	R. R. Struct. & Hwy.
Canton Bridge Co.	Canton, O.	6,000	Highway.
Capital Iron Works.	Topeka, Kan.	2,000	Light struct.
Carlin's Jas.Sons Co.	Pittsburg, Pa.	2,000	" "
Carolina Steel Bdge & Cons. Co.	Burlington, N. C. (Purchased by Va. Bdge. Co.)	10,000	" "
Central Iron Works.	San Francisco,	400	" "
" " "	Quincy, Ill.	1,000	" "
Central States Bdge.Co.	New Castle, Ind. (Formerly New Castle Bdge. Co.)	3,000	Hwy. & Struct.
Champion Bridge Co.	Canton, O.	1,500	Light struct.
" " "	Wilmington, O.	1,500	Light struct. & Hwy.
Chicago Bdge.& I. Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Chelmsford Fdry. Co.	Boston, Mass.	6,000	Structural.
Christopher & Simpson.	St. Louis, Mo.	3,000	"
Clapp, Geo. B.	Philadelphia, Pa.	400	Light struct.
Clark & Stowe.	Brooklyn, N. Y.	100	" "
Clinton Bdge. & Iron Wks.	Clinton, Ia.	6,000	Hwy. & "
Colnick, C., Mfg. Co.	Milwaukee, Wis.	1,000	Light "
Colo. Iron Wks. Co.	Denver, Colo.	6,000	Struct. & Hwy.
Columbia Eng. Works.	Portland, Ore.	100	Light struct. & Hwy.
Converse Bridge Co.	Chattanooga, Tenn.	1,000	Hwy. & Struct.
Columbia Bridge Co.	Carnegie, Pa.	4,000	" "

Converse, H.P. & Co.	Boston, Mass.	1,000	Structural.
Cooper, John, Co.	New York City.	2,400	"
Cornell, J.B. & J. M.	" " "	20,000	"
Crown Iron Works.	Minneapolis, Minn.	3,000	Light struct.
Davenport Fdry.& Mach. Co.	Davenport, Ia.	500	Light struct. & Hwy.
Dauchy Iron Works.	Chicago, Ill.	500	Light struct.
Dauphin Bdge. & Cons.Co.	Dauphin, Pa.	3,000	Light struct. & Hwy.
Dearborn Fdry. Co	Chicago, Ill.	5,000	" " "
Decatur Bridge Co.	Decatur, Ill.	2,000	" " "
Denver Iron & Wire Wks.	Denver, Colo.	3,700	" "
Des Moines Bdge.& I.Wks.	Des Moines, Ia.	5,000	" "
Dimond, Thomas.	New York City	1,500	Structural.
Duffin Iron Works.	Chicago, Ill.	1,000	Light structural.
Dugro, Philip.	Brooklyn, N. Y.	200	Structural.
Dyer Bros.	San Francisco	1,800	"
Eastern Steel Co.	Pottstown, Pa.	7,500	Struct.& Bridge work.
Eagle Iron Works.	Brooklyn, N. Y.	100	Light struct.
Eastern Bdge.& Str.Co.	Worcester, Mass.	3,500	R. R., Struct. & Hwy.
East Chic. Bdge.& I.Wks.	East Chicago.	3,600	Hwy. & Struct.
Elkhart Bridge Co.	Elkhart, Ind.	1,000	Highway.
Easton Fdry.& Mach.Co.	Easton, Pa.	1,500	Hwy. & Struct.

EauClaire Cornice & Heat Co.	Eau Claire, Wis.	100	Light struct.
Eichleay, John Jr. & Co.	Pittsburg, Pa.	4,500	Structural.
Elizabeth Bridge Co.	Elizabeth, Ill.	12,000	Highway & Struct.
El Paso Fdry.& Mach. Co.	El Paso.	200	Structural.
Enterprise Iron Works	Albert Lea, Minn.	50	Light struct.
Fagan Iron Works.	Hoboken, N. J.	4,800	Structural.
Fair-Williams Bdge. & Mfg. Co.	Ottumwa, Ia.	900	Light struct. & Hwy.
Felgenhauer'sE., Sons.	Brooklyn, N. Y.	100	Light structural.
Fischer, Henry C.	"	100	"
Eluegal, Anton	"	100	Light structural.
Forest City Steel & I.Co	Cleveland, O.	4,000	Struct & Hwy.
Ft..Pitt Bdge.Works.	Pittsburg, Pa.	15,000	" "
Friberg, James.	Brooklyn, N. Y.	100	Light structural.
Funk, M. Boiler Wks.	La Crosse, Wis.	1,000	" "
Garry Iron & Steel Co.	Cleveland, O.	3,000	Light structural.
Gerst Bros. Mfg. Co.	St. Louis, Mo.	800	" "
Goeller Iron Works.	Newark, N. J.	500	Light struct. & Hwy.
Guerber Eng. Co.	Bethlehem, Pa.	1,200	" " "
Groton Bridge Co.	Groton, N. Y.	1,200	" " "
Halstead, Jos.	Chicago, Ill.	500	Light structural.

Hansell-Elcock Co.	Chicago, Ill.	8,000	Struct. & Hwy.
Harris Machine Co.	Minneapolis, Minn.	3,500	Light structural.
Harrower, E. C.	Buffalo, N. Y.	2,000	Structural.
Hackworthy Cons. Co.	Appleton, Wis.	2,000	Light struct. & Hwy.
Hassel Iron Wks. Co.	Colorado Springs.	1,500	Structural.
Hathorn Fdry.& Mach.Co.	Mason City, Ia.	1,200	Light structural.
Hay Fdry. & Iron Wks.	Newark, N. J.	50,000	Structural.
Hafers,Chris.I.Wks.Co.Inc.	New York City.	1,000	Light structural.
Hapel, Adam.	" " "	1,000	" "
Hedden,Iron Cons.Co.	Newark, N. J.	200	" "
Herzog Iron Works.	St. Paul, Minn.	2,000	Structural.
Hecla Iron Works.	Brooklyn, N. Y.	1,000	"
Heyl & Patterson.	Pittsburg, Pa.	5,000	"
Hinkle Iron Co.	New York City.	500	Light struct.
Hofius,W.D. & Co.	Seattle, Wash.	100	Light struct. & Hwy.
Holmes, Pyott & Co.	Chicago, Ill.	3,000	" "
Horn,Wm.,Struct.I.Wks.	" "	1,000	" "
Howell,H.M.& Co.	New York City.	200	Light structural.
Hudson Struct. Co.	Jersey City, N. J.	1,500	Structural.
Hennepin Bridge Co.	Minneapolis, Minn.	50	Light struct. & Hwy.
Illinois Bridge Co.	Sullivan, Ill.	1,500	Highway.
Illinois Steel Bridge Co.	Jacksonville, Ill.	2,500	Light struct.& Hwy.
Indiana Bridge Co.	Muncie, Ind.	6,000	" " "

Indianapolis Br.& I.Wks.	Indianapolis.	2,500	Struct. & Hwy.
Iron City Mfg. Co.	Pueblo, Colo.	3,500	" " "
Jardine, John R.	Farho, Ind.	100	" " "
Joliet Bdge.& I. Co.	Joliet, Ill.	3,600	" " "
Judson Mfg. Co.	San Francisco.	2,500	" " "
Jones & Laughlin Steel Co.	Pittsburg, Pa.	30,000	R. R., Struct. & Hwy.
Jones, Benj. F.	New York City.	200	Light structural.
Kansas City Wire & Iron Wks.	Rosedale, Kan.	5,000	Struct.& Hwy.
Kaw Boiler Works.	Kansas City, Kan.	500	Structural.
Kent, W.D. Iron Co.	Chicago, Ill.	600	Light structural.
Kenwood Bridge Co.	" "	6,000	Light struct. & Hwy.
King, Geo.W., Br. Co.	Des Moines, Ia.	2,500	Highway.
Kratzer,W.H. & Co.	Pittsburg, Pa.	2,000	Light structural.
Kreatz, F. E.	St. Cloud, Minn.	50	" "
Kunert Mfg. Co.	Watertown, Wis.	300	" "
Keystone Struct. Co.	Royersford, Pa.	5,000	Struct. & Hwy.
LaCrosse Steel Roofing & Corrugated Co.	LaCrosse, Wis.	600	Struct. & Hwy.
Leavenworth Bridge Co.	Leavenworth, Kan.	300	Highway.
Levering & Garrigues.	New York City.	5,000	Structural.

Lewinson & Co.	New York City.	500	Beam work.
Lewis, Jas. C. & Co.	Detroit, Mich.	3,000	Light structural.
Llewellyn Iron Works.	Los Angeles, Cal.	3,000	" "
Louisville, Br. & I. Co.	Louisville, Ky.	5,000	Struct. & Hwy.
Lauer & Harper Co.	Westport, Md.	200	Structural.
Lukens Iron & Steel Co. (New Orleans Branch)	New Orleans, La.	2,000	Light structural.
McCullough, Geo.	Hammond, Wis.	100	R.R., Struct. & Hwy.
McClintic-Marshall Cons. Co.	Pittsburg, Pa.	75,000	" " "
" "	Pottstown, Pa.	25,000	" " "
McCarthy, A.F. & Co.	Philadelphia, Pa.	400	Light structural.
McKay, Thos.	New York City.	500	" "
McMurray, Robt.E. & Bros.	Brooklyn, N. Y.	100	" "
Mosker & Bro.	St. Louis, Mo.	600	Light struct. & Hwy.
Megquier & Jones Co.	Portland, Me.	3,000	" " "
Melan Arch. Cons. Co.	New York City.	600	Light structural.
Minneapolis Steel & Mach. Co.	Minneapolis, Minn.	18,000	R.R., Struct. & Hwy.
Missouri valley Br. Co.	E. St. Louis, Ill.	2,500	Highway.
Missouri Valley Br. & Iron Co.	Leavenworth, Kan.	3,000	Rwy. Struct. & Hwy.
Michigan Bridge Co.	Portland, Mich.	500	Light struct. & Hwy.
Milliken Bros.	New York City.	36,000	R.R., Hwy. & Struct.

Milwaukee Bridge Co.	Milwaukee, Wis.	10,000	Highway.
Modern St. Struct. Co.	Waukesha, Wis.	6,000	Struct. & Hwy.
Moore Bros. Fdry. Co.	Wichita, Kan.	1,000	Structural.
Montana Iron Works.	Butte, Mont.	150	Light structural.
Mosher Mfg. Co.	Dallas, Texas.	2,700	" "
Morava Cons. Co.	Chicago, Ill.	6,000	Light struct. & Hwy.
Mt. Vernon Bridge Co.	Mt. Vernon, Minn.	3,500	" " "
Myer Bros.	Mankato, Minn.	100	" " "
McGill, Jas. H.	Washington, D. C.	100	Structural.
National Iron Works.	St. Louis, Mo.	1,200	Light struct.
New England Struct.Co.	Everett, Mass.	12,000	Ry. & Struct.
New Prague Fdry.Co.	New Prague, Minn.	1,100	Ry. & Struct.
N.Y. Bdge.& Iron Co.	New York City.	300	Light struct. & Hwy.
New Jersey Bridge Co.	Manasquan, N. J.	5,000	Highway & Struct.
Noble, Patrick.	San Francisco.	1,000	Structural.
Northwestern Fdry. Co.	Minneapolis, Minn.	4,000	"
Noelke-Richards I. Wks.	Indianapolis.	6,000	Light structural.
Oklahoma Fdry.& I.Wks.	Oklahoma City, O.T.	100	"
Oregonia Bridge Co.	Lebanon, O.	1,000	Light struct. & Hwy.
Owego Bridge Co.	Owego, N. Y.	4,800	R. R., Struct. & Hwy.
Omaha Struct.St. Wks.	Omaha, Neb.	300	Light highway.

Pacific Iron Works.	Portland, Ore.	100	Light structural.
Pan-American Bridge Co.	New Castle, Ind.	1,000	Light struct. & Hwy.
Parker-Thatcher A.	Terre Haute, Ind.	1,500	" " "
Potthoff & Frey I.Wks.	Cincinnati, O.	2,000	Light structural.
Passaic Steel Co.	Paterson, N. J.	24,000	R. R., Struct. & Hwy.
Paxton & Vierling.	Omaha, Neb.	8,000	Structural.
Pennsylvania Steel Co.	Steelton, Pa.	85,000	R. R., Struct. & Hwy.
Penn Bridge Co.	Beaver Falls, Pa.	5,000	" " "
Phoenix Bridge Co.	Phoenixville, Pa.	50,000	" " "
Pierpont & Heaton	Provo, Utah.	500	Light structural.
Pittsburg Steel Cons.Co.	Economy, Pa.	4,000	Structural.
Pirkl, John Iron Wks.	Brooklyn, N. Y.	1,500	Light structural.
Portage Iron Works.	Portage, Wis.	100	" "
Poppke & Son.	Brooklyn, N. Y.	100	Light struct. & Hwy.
Presteem, Peter.	Nero, Wis.	100	Light structural.
Prince Iron Works.	New York City.	1,000	" "
Puget Sound Dry dock & Mach. Co.	Tacoma, Wash.	1,200	" "
Puget Sound Bridge & Dredging Co.	Seattle, Wash.	100	" "
Pietsch, Ferd. Struct. I. Wks.	Chicago.	1,000	Structural.
Quackenbusch, Jno. H.	Webster City, Ia.	75	Light struct. & Hwy.

Rarig Engineering Co.	Columbus, O.	500	Light struct. & Hwy.
Radley, J.J. & Co., Inc.	New York City.	2,400	Struct. & Hwy.
Ralson Iron Works.	San Francisco.	1,000	Structural.
Rapp Iron Works.	New York City.	600	Beam & Light work.
Ravitch Brothers.	" " "	500	Light structural.
Risdon Iron Works.	San Francisco	2,000	Structural.
Riter-Conley Mfg.Co.	Pittsburg, Pa.	25,000	R. R., Struct. & Hwy.
Rochester Br.& Cons.Co.	Montour Falls, N. Y.	2,400	Light struct. & Hwy.
Rochester Bridge Co.	Rochester, Ind.	800	" " "
Riverside Bridge Co.	Wheeling, W. Va.	2,000	" " "
Rogers Iron Co.	Springfield, O.	500	Light structural.
Russel Wheel & Fdry.Co.	Detroit, Mich.	600	" "
Salt Lake Eng. Co.	Salt Lake City.	1,000	Light struct. & Hwy.
Sandblom, Gustav Arch. I. Wks.	Brooklyn, N. Y.	1,000	Structural.
Schraders Iron Works.	San Francisco.	400	Light structural.
Schrieber, L. & Sons Co.	Cincinnati, O.	5,000	Struct. & Hwy.
Schurk Iron Works.	St. Louis, Mo.	700	Light structural.
Scaar, Frank & Co.	Chicago, Ill.	1,000	" "
Scaife, Wm.B. & Sons Co.	Pittsburg, Pa.	4,000	Light struct. & Hwy.
Scully Steel & Iron Co.	Chicago, Ill.	2,000	Structural.
Seaton, Jno. Fdry.& Mfg. Co.	Atchison, Kan.	9,000	"

Seavers Mfg. Co.	Oskaloosa, Ia.	600	Light structural.
Seattle Hardware Co.	Seattle, Wash.	500	" "
Sherwin, E.C. & Son.	Brendon, Wis.	300	" "
Shorthill, A. R. Co.	Marshalltown, Ia.	3,600	" "
Silver Bros. I. Wks.	Salt Lake City.	2,500	" "
Skobis Brothers.	Milwaukee, Wis.	3,600	" "
Smeeth Co.	Chicago.	5,000	Struct. & Hwy.
Smith, G. W. & F.	Boston, Mass.	6,000	Structural.
Snare & Triest Co.	New York City.	600	Struct. & Beam.
Shoemaker, Lewis.	Pottstown, Pa.	7,800	R. R., Struct. & Hwy.
Snead & Co.I. Wks.	Jersey City, N. J.	2,400	Light structural.
Snead Arch.I. Wks.	Louisville, Ky.	3,000	Light struct. & Hwy.
So.Halstead St.I.Wks.	Chicago, Ill.	6,000	Structural.
Southern Bridge Co.	Birmingham, Ala.	1,500	Highway.
Southwestern Br.& I.Co.	Enid, O. T.	400	"
Spuck,J.Arch. I. Wks.	St. Louis, Mo.	3,000	Light structural.
Springfield Br.& I.Wks.	Springfield, Ill.	500	Light struct. & Hwy.
Standard Bridge Co.	Omaha, Neb.	700	Highway.
Sterling Iron Works.	Springfield, Mo.	2,500	Light struct. & Hwy.
Stewart Iron Wks. Co.	Covington, Ky.	300	Light structural.
Stewart Iron Works Co.	Cincinnati, O.	5,000	" "
St. Louis Arch. I. Co.	St. Louis, Mo.	400	" "
Streeter, H. A.	Chicago, Ill.	500	" "
St. Paul Fdry. Co.	St. Paul, Minn.	10,000	Structural.

Steel & Wike.	Philadelphia, Pa.	1,800	Light structural.
Steward & Stevens I.Co.	"	400	"
Stupp Bros.Br.& I. Wks.	St. Louis, Mo.	5,000	Light struct. & Hwy.
Sumner Iron Works.	Everett, Wash.	500	Light structural.
Smith & Lovett Co.	Boston, Mass.	1,200	Structural.
Topeka Bdge. & I. Wks.	Topeka, Kan.	800	Light struct. & Hwy.
Toepfer, Wm. & Sons.	Milwaukee, Wis.	300	" " "
Toledo-Massillon Br.Co.	Massillon, O.	3,500	Hwy. & Struct.
Union Cons.Co.	Sprinfield, Mass.	6,000	Structural.
Union Iron & Fdry. Co.	St. Louis, Mo.	6,000	Light struct. & Hwy.
Union Iron Works.	Los Angeles, Cal.	1,000	" " "
Union Fdry. Works.	Chicago, Ill.	2,000	" " "
United Iron Works Co.	Springfield, Mo.	3,000	Structural.
Valley Iron Works.	Williamsport, Pa.	100	Light structural.
Variety Iron Works.	Cleveland, O.	1,200	Light struct. & Hwy.
Van Dorn Iron Works.	"	2,500	Light structural.
Vaile & Young.	Baltimore, Md.	2,500	"
Virginia Bdge.& Iron Co.	Roanoke, Va.	8,000	Ry. Struct. & Hwy.
Vierling & McDowell Co.	Chicago, Ill.	6,000	Light struct.
Vincennes Bridge Co.	Vincennes, Ind.	1,000	Light struct. & Hwy.
Vogenthaler, E. J.	Dubuque, Ia.	900	" "

Wagner, Adolph F.	Milwaukee, Wis.	3,000	Light structural.
Walton Iron Co.	Cincinnati, O.	300	"
W.Va.Bdge.& Cons.Co. (Owned by New Jersey Bridge Co.)	Wheeling, W. Va.	2,500	" & Hwy.
Western Iron Works.	Butte, Mont.	300	Light structural.
" " "	San Francisco.	1,000	" "
Westermann Iron Works.	Seattle, Wash.	600	" "
West Side Fdry. Co.	Troy, N. Y.	500	" "
Whitehead & Kales Co.	Detroit, Mich.	3,000	" "
Williamette Iron & Steel Wks.	Portland, Ore.	500	" "
Wisconsin Bdge. & I. Wks.	Milwaukee, Wis.	18,000	R. R., & Struct.
Worden Allen Co.	"	5,000	" "
York Bridge Co.	York, Pa.	3,000	Highway.
York Fdry.& Engine Wks.	York, Neb.	500	Light structural.
Yant,M.D.& Co.	Allegheny, Pa.	600	
		1,165,725	

DEFENDANTS' EXHIBIT NO. 7.
May 24, 1912.

LIST OF COMPETITORS OPERATING SHOPS, May 15, 1907.

NAME	LOCATION	ANNUAL CAPACITY IN TONS	CLASS OF WORK
Aetna Iron Works.	St. Louis, Mo.	3,000	Lt. Struct. & Hwy.
Albree, Chester B., I. Wks.	Allegheny, Pa.	1,000	" " "
Alexandria Iron Works.	Alexandria, Va.	1,500	Structural.
American Str.St.Co.	Carnegie, Pa.	4,000	" & Hwy.
Anaconda Copper Mining Co., Fdry. Dept.	Anaconda, Mont.	200	Light struct.
Anderson Bdge. & Scraper Co.	Anderson, Ind.	100	Highway.
Armourdale Fdry. Co.	Kansas City, Kas.	3,000	Structural.
Archbold-Brady Co.	Syracuse, N.Y.	1,800	Light structural.
Attica Bdge.& Mach.Co.	Attica, Ind.	1,200	Highway.
Baltimore Bdge.Co.,	Baltimore, Md.	14,400	Hwy., Rwy. & Struct.
Baker Iron Wks., Inc.	Los Angeles, Cal.	2,000	Struct. & Hwy.
Bancroft, Charles P.	Philadelphia, Pa.	400	Light structural.

Banner Iron Works.	St. Louis, Mo.	2,400	Struct. & Hwy.
Barber & Ross.	Washington, D.C.	2,400	Light structural.
Bartlett Steel Co.	Joplin, Mo.	3,000	Structural.
Bayley & Sons Co.	Milwaukee, Wis.	1,200	Struct. & Hwy.
Bedell Struct.Steel & Fdry. Co.	New Orleans, La.	2,500	" " "
Belleville Fdry. Co.	Belleville, Ill.	900	" " "
Belmont Iron Works.	Philadelphia, Pa. Eddystone, Pa.	12,000	Ry. Struct. & Hwy.
Bellefontaine Br.& I.Co.	Bellefontaine, O.	1,500	Light structural.
Berlin Const. Co.	Berlin, Conn.	7,200	Ry. Struct. & Hwy.
Bogert & Carlough.	Paterson, N.J.	500	Struct. & Hwy.
Berry Fdry. Co.,	St. Joseph, Mo.	3,000	R. R. & Castings.
Bolinger, C.L. & Co.	Pittsburg, Pa.	2,000	Light struct. & Hwy.
Bolter, A. & Sons.	Chicago, Ill.	4,000	" " "
Boston Bridge Works.	Cambridge, Mass.	18,000	Ry., Struct. & Hwy.
Bowles, J. R.	Portland, Ore.,	1,000	Struct. & Hwy.
Brackett Bridge Co.	Cincinnati, O.	2,000	Highway.
Brode & Clark.	San Francisco, Cal.	500	Light struct. & Hwy.
Bros Brothers Boiler & Mfg. Co.	Minneapolis, Minn.	7,000	" " "
Brown-Ketchum I. Wks.	Indianapolis, Ind.	18,000	Struct. & Hwy.
Browne, F. O.	Denver, Colo.	250	Structural.
Brown-Ketchum I. Wks.	Greensburgh, Pa.	10,000	Light structural.

Buffalo Struct. St.Co.	Buffalo, N.Y.	4,000	Struct. & Hwy.
Burger Iron Co.	Akron, O.	1,500	Structural.
Cambria Steel Co.	Johnstown, Pa.	30,000	R. R., Struct. & Hwy.
Canton Bdge. Co.	Canton, O.	4,000	Highway.
Capital Iron Works.	Topeka, Kas.	1,000	Structural.
Carlin's Jas.Sons Co.	Pittsburg, Pa.	2,000	Light structural.
Carolina St.Bdge. & Cons. Co.	Burlington, N. C.	4,000	" "
Central Iron Works.	San Francisco, Cal.	400	" "
" " "	Quincy, Ill.	1,000	" "
Champion Iron Co.	Kenton, O.	1,000	" "
Champion Bridge Co.	Wilmington, O.	1,000	" " & Hwy.
Chicago Bdge.& I. Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Chelmsford Fdry. Co.	Cambridge, Mass.	4,800	Structural.
Chesapeake Iron Wks.	Baltimore, Md.	1,800	Light structural.
Christopher & Simpson.	St. Louis, Mo.	3,000	Architectural.
Clapp, Geo. B.,	Philadelphia, Pa.	400	Light structural.
Clark & Stowe.	Brooklyn, N.Y.	100	" "
Clinton Bdge.& I.Wks.	Clinton, Ia.	6,000	Rwy. & Struct.
Colnick Mfg. Co.	Milwaukee, Wis.	1,000	Light structural.
Colo. Iron Wks. Co.	Denver, Colo.	6,000	Struct. & Hwy.
Columbia Eng. Wks.	Portland, Ore.	100	Light struct. & Hwy.
Columbia Bridge Co.	Carnegie, Pa.	4,000	Hwy. & Struct.

Converse Bridge Co.,	Chattanooga, Tenn.	1,000	Hwy. & Struct.
Converse, H. P. & Co.	Boston, Mass.	1,000	" " "
Cooper, John Co.	New York City.	2,400	Structural.
Cornell,J.B. & J.M.	" " "	20,000	"
Davenport Fdy. & Mch. Co.	Davenport, Ia.	500	Light struct. & Hwy.
Davies, John J.& Co.	Philadelphia, Pa.	3,000	Structural.
Dauchy Iron Works.	Chicago, Ill.	500	Light structural.
Dauphin Bdge.& Cons. Co. (Purchased by Steel & Wike.)	Dauphin, Pa.	3,000	Light struct. & Hwy.
Dearborn Fdry. Co.	Chicago, Ill.	5,000	" " "
Decatur Bridge Co.	Decatur, Ill.	2,000	" " "
DeCoo, Richmond.	Philadelphia, Pa.	1,800	Beam Work.
Denver Iron & Wire Wks.	Denver, Colo.	3,700	Light struct.
DesMoines Bdge.& I.Wks.	Des Moines, Ia.	5,000	" "
Dietrich Bros.	Baltimore, Md.	2,400	Structural.
Dildine Bdge.& Cons.Co.	Cameron, Mo.	1,500	Struct. & Hwy.
Dimond, Thomas N.	New York City.	1,500	Structural.
Duffin Iron Works.	Chicago, Ill.	1,000	Light structural.
Dugro, Philip.	Brooklyn, N. Y.	200	Structural.
Dyer Bros.	San Francisco.	1,800	"
Eastern Steel Co.	Pottsville, Pa.	10,000	Ry., Hwy. & Struct.

Eagle Iron Works.	Brooklyn, N. Y.	100	Light structural.
Eastern Bdge.& Str.Co.	Worcester, Mass.	3,600	Struct. & Hwy.
East Chic.Bdge.& I.Wks.	East Chicago.	3,000	Hwy. & Struct.
Elkhart Bdge. Co.	Elkhart, Ind.	1,000	Highway.
Easton Fdy.& Mach.Co.	Easton, Pa.	2,400	Light struct.
Eau Claire Cornice & Heat. Co.	EauClaire,Wis.	100	" "
Eichleay,John,Jr.,& Co.	Pittsburg, Pa.	4,500	Structural.
Elizabeth Bdge. Co.	Elizabeth, Ill.	12,000	Hwy. & Struct.
El Paso Fdy.& Mach.Co.	El Paso, Tex.	200	Structural.
Enterprise Iron Works	Albert Lea, Minn.	50	Light structural.
Fagan Iron Works.	Hoboken, N. J.	4,800	Structural.
Fair-Williams Bdge. & Mfg. Co.	Ottumwa, Ia.	900	Light struct. & Hwy.
Felgenhauer's E. Sons.	Brooklyn, N. Y.	100	Light structural.
Fischer, Henry C.	" "	100	" "
Fluegal, Anton.	" "	100	" "
Forest City St. & I.Co.	Cleveland, O.	4,000	Struct. & Hwy.
Ft. Pitt Bridge Co.	Pittsburg, Pa.	10,000	" " "
Friberg, James.	Brooklyn, N. Y.	100	Light structural.
Funk, M.,Boiler Wks.	LaCrosse, Wis.	1,000	" "

Garry Iron & St. Co.	Cleveland, O.	2,000	Light structural.
Gerst Bros. Manfg. Co.	St. Louis, Mo.	800	" "
Goeller Iron Works.	Newark, N. J.	500	Light struct. & Hwy.
Guerber Eng. Co.	Bethlehem, Pa.	4,000	Ry., Struct. & Hwy.
Granger Iron Works.	Louisville, Ky.	4,000	Struct. & Highway.
Groton Bridge Co.	Groton, N. Y.	1,800	Hwy. & Light struct.
Halsted, Jos.	Chicago, Ill.	500	Light structural.
Hansell-Elcock Co.	" "	8,000	Struct. & Hwy.
Harris Machine Co.	Minneapolis, Minn.	3,500	Light structural.
Harrower, E. C.	Buffalo, N. Y.	2,000	Structural.
Hackworthy Cons. Co.,	Appleton, Wis.	2,000	Light struct. & Hwy.
Hassel Iron Works, Co.	Colorado Springs.	1,500	Structural.
Hathorn Fdry.& Mach.Co.	Mason City, Ia.	1,200	Light structural.
Hay Fdry.& Iron Works.	Newark, N. J.	40,000	Structural.
Hafers,Chris.I.Wks.Co.	N. Y. City	1,000	Light structural.
Hapel, Adam.	" "	1,000	" "
Hedden Iron Cons.Co.	Newark, N. J.	200	" "
Herzog Iron Works.	St. Paul, Minn.	2,000	Structural.
Hecla Iron Works.	Brooklyn, N. Y.	1,000	"
Heyl & Patterson.	Pittsburg.	5,000	"
Hinkle Iron Co.	New York City	500	Light structural.
Hobell,H.M.& Co.	" " "	200	" "

Hofius, W.D. & Co.	Seattle, Wash.	100	Light struct. & Hwy.
Holmes, Pyott & Co.	Chicago, Ill.	3,000	" " "
Horn,Wm. Struct.I.Wks.	" "	1,000	" " "
Howell, H. M. & Co.	New York City.	200	Light structural.
Hudson Str. Co.	Jersey City.	1,500	Structural.
Hennepin Bridge Co.	Minneapolis, Minn.	50	Light struct.& Hwy.
Illinois Bridge Co.	Sullivan, Ill.	1,500	Highway.
Illinois Steel Bdge.Co.	Jacksonville, Ill.	2,500	Light struct. & Hwy.
Indiana Bridge Co.	Muncie, Ind.	6,000	" " "
Indinapolis Bdge. & I. Wks.	Indinapolis.	2,500	" " "
Iron City Mfg. Co.	Pueblo, Colo.	3,500	" " "
Jardine, John R.	Fargo, Ind.	100	Light struct. & Hwy.
Joliet Bdge.& I.Co.	Joliet, Ill.	3,600	" " "
Judson Mfg. Co.	San Francisco.	2,500	" " "
Jones & Laughlins St.Co.	Pittsburg.	30,000	R. R., Struct. & Hwy.
Jones, Benj. F.	New York City.	200	Light structural.
Kas.City Str.Steel Co.	Argentine, Kas.		
Kas.City Wire & I.Wks.	Kansas City, Mo.	4,000	Structural.
Kaw Boiler Works.	" "	500	Light structural.

Kent, W.D. I. Wks.	Chicago, Ill.	600	Light structural.
Kenwood Bridge Co.	" "	6,000	Light struct.& Hwy.
King,Geo.W. Bdge. Co.	Des Moines, Ia.	2,500	Highway.
Kratzer, W.H. & Co.	Pittsburg, Pa.	3,600	Light structural.
Kunert Mfg. Co.	Watertown, Wis.	300	" "
Keystone Str. Co.	Royersford, Pa.	4,800	Hwy. & Struct.
Kreatz, F. E.	St. Cloud, Minn.	50	Light structural.
LaCrosse Steel Roof. & Corr. Co.	La Crosse, Wis.	600	Struct. & Hwy.
Lawrence Iron Works.	Lawrence, Kas.	600	Architectural.
Leavenworth Bridge Co.	Leavenworth, Kas.	300	Highway.
Levering & Garrigues.	New York City.	5,000	Structural.
Lewinson & Co.	" " "	500	Beam Work.
Lewis, Jas.C. & Co.	Detroit, Mich.	3,000	Light structural.
Llewellyn Iron Works.	Los Angeles, Cal.	3,000	" "
Louisville Bdge.& I.Wks.	Louisville, Ky.	8,000	Railroad.
Lauer & Harper.	Westport, Md.	3,000	Rwy. Hwy. & Struct.
Lukens I. & St. Co.	New Orleans, La.	2,000	Light structural.
McCullough, George.	Hammond, Wis.	100	R. R., Struct & Hwy.
McClintic-Marshall Const. Co.	Pittsburg, Pa.	70,000	" " "
	Pottstown, Pa.	35,000	" " "

McCarthy, A. F. & Co.	Phildelphia, Pa.	400	Light structural.
McKay, Thomas.	New York City.	500	" "
McGill, Jas. H.	Washington, D. C.	100	Structural.
McMurray, Robt.E. & Bro.	Brooklyn, N. Y.	100	Light structural.
Nesker & Brother.	St. Louis, Mo.	600	Light struct. & Hwy.
Megquier & Jones Co.	Portland, Me.	3,000	" " "
Melan Arch.Struct.Co.	New York City.	600	Light structural.
Minneapolis St.& Mach.Co.	Minneapolis,Minn.	18,000	R. R., Struct. & Hwy.
Missouri Bridge Co.	E.St.Louis,Ill.	1,000	Highway.
Missouri Val.Bdge.& Iron Co.	Leavenworth, Kas.	2,000	R. R., Struct. & Hwy.
Michigan Bridge Co.	Portland, Mich.	100	Light struct. & Hwy.
Milliken Bros.	New York City.	36,000	R. R., Hwy. & Struct.
Milwaukee Bridge Co.	Milwaukee, Wis.	10,000	Highway.
Modern Struct.Steel Co.	Waukesha, Wis.	6,000	Struct. & Hwy.
Moore Bros. Foundry.	Wichita, Kas.	500	Structural.
Montana Iron Works.	Butte, Mon.	150	Light structural.
Mosher Mfg. Co.	Dallas, Tex.	2,700	" "
Morava Cons.Co.	Chicago, Ill.	6,000	Light struct. & Hwy.
Mt.Vernon Bridge Co.	Mt. Vernon, O.	4,500	R. R., Struct. & Hwy.
Myer Bros.	Mankato, Minn.	100	Light struct. & Hwy.

National Iron Works.	St. Louis, Mo.	1,200	Light structural.
New England Struct.Co.	Boston & Everett.	12,000	Ry. & Struct.
New Prague Fdry.Co.	New Prague, Minn.	1,100	" "
N.Y. Bridge & I.Co.	New York City.	300	Light struct. & Hwy.
New Jersey Bridge Co.	Manasquan, N. J.	5,000	Hwy. & Struct.
Noble Patrick.	San Francisco.	1,000	Structural.
Noelle-Richards I.Wks.	Indianapolis.	6,000	Light structural.
Oklohama City Fdy.& Mach. Shop.	Okla. City.	2,000	Castings & Beam Work.
Oregonia Bridge Co.	Lebanon, O.	1,000	Light struct. & Hwy.
Owego Bridge Co.	Owego, N. Y.	3,600	Ry., Light str. & Hwy.
Omaha Str. St. Works.	Omaha, Neb.	300	Structural.
Pacific Iron Works.	Portland, Ore.	100	Light struct.
Pan-American Bridge Co.	New Castle, Ind.	1,000	Light str. & Hwy.
Parker,Thatcher A.	Terre Haute, Ind.	1,500	Light structural.
Potthoff, W. F. Co.,The	Cincinnati, O.	5,000	" "
Passaic Steel Co.	Paterson, N. J.	24,000	R. R., Struct. & Hwy.
Paxton & Vierling I.Wks.	Omaha, Neb.	7,500	Structural.
Pennsylvania Steel Co.	Steelton, Pa.	100,000	Ry., Hwy., & Str.
Penn Bridge Co.	Beaver Falls, Pa.	5,000	" " "
Phoenix Bridge Co.	Phoenixville,Pa.	48,000	" " "

Pitts Bdge. & I. Wks.Co.	Rochester, Pa.	2,000	Structural.
Piermont & Heaton.	Provo, Utah.	500	Light structural.
Pittsburg St.Cons.Co.	Economy,Pa.	4,000	Structural.
Pirkl,John, Iron Wks.	Brooklyn, N. Y.	1,500	Light structural.
Portage Iron Works.	Portage, Wis.	100	" "
Poppke & Son.	Brooklyn, N. Y.	100	" "
Presteem, Peter.	Nero, Wis.	100	" "
Prince Iron Works.	New York City.	1,000	" "
Providence St.& I.Co.	Providence, R. I.	1,500	Structural.
Puget Sound Dry-Dock & Mch. Co.	Tacoma, Wash.	1,200	Light structural.
" Sound Bdge. & Dredging Co.	Seattle, Wash.	100	" "
Pietsch,Ferd.Str.I.Wks.	Chicago.	1,000	Structural.
Quackenbush, Jno.H.	Webster City, Ia.	75	Light struct. & Hwy.
Rarig Eng. Co.	Columbus, O.	500	Light struct. & Hwy.
Ralston Iron Works.	San Francisco.	1,000	Structural.
Radley, J. J. & Co.	New York City.	1,800	Struct. & Hwy.
Rapp Iron Works.	" " "	600	Beam & Light Work.
Ravitch Bros.	" " "	500	Light structural.
Riter-Conley Mfg.Co.	Pittsburg, Pa.	25,000	R. R., Struct. & Hwy.

Rochester Bdge.& Cons.Co.	Montour Falls.	2,400	Light struct. & Hwy.
Rochester Bridge Co.	Rochester, Ind.	800	Light str. & Hwy.
Riverside Bridge Co.	Wheeling, W. Va.	3,000	" " "
Riverside Iron Works.	Kansas City, Mo.	3,500	Castings.
Rogers Iron Co.	Springfield, O.	500	Light structural.
Russel Wheel & Fdry.Co.	Detroit, Mich.	600	" "
Salt Lake Eng.Wks.	Salt Lake City.	1,000	Light str. & Hwy.
Sandblom,Gustave,Arch. I. Wks.	Brooklyn.	1,000	Structural.
Schraders Iron Works.	San Francisco.	400	Light structural.
Schreiber, L. & Sons Co.	Cincinnati.	6,000	Str. & Hwy.
Schurk Iron Works.	St. Louis, Mo.	700	Light structural.
Scaar, Frank & Co.	Chicago, Ill.	1,000	" "
Scaife, Wm.B. & Sons Co.	Pittsburg, Pa.	4,000	Light struct. & Hwy.
Scully St. & I.Co.	Chicago, Ill.	2,000	Structural.
Seaton,Jno.Fdry.&Mfg.Co.	Atchinson, Kas.	8,000	"
Seavers Mfg.Co.	Oskaloosa, Ia.	600	Light structural.
Seattle Hardware Co.	Seattle, Wash.	500	" "
Sherwin, E. C. & Son.	Brendon, Wis.	300	" "
Shorthill, A.E. Co.	Marshalltown, Ia.	3,600	" "
Silver Bros. I.Wks.	Salt Lake City.	2,500	" "
Skobis Bros.	Milwaukee, Wis.	3,600	" "

Smeeth Co.	Chicago, Ill.	5,000	Struct. & Hwy.
Smith,G.W. & F.,I.Co.	Boston, Mass.	6,000	Structural.
Snare & Triest Co.	New York City.	600	Struct. & Beam.
Shoemaker, Lewis.	Pottstown, Pa.	10,000	Ry. Hwy. & Struct.
Snead & Co. I. Wks.	Jersey City, N. J.	2,400	Light Struct. & Hwy.
Snead Arch. I.Wks.	Louisville, Ky.	2,500	" " "
S.Halstead Sr. I.Wks.	Chicago, Ill.	6,000	Structural.
Southern Bridge Co.	Birmingham, Ala.	1,500	Highway.
Southwestern Bdg.& I.Co.	Enid, O. T.	400	"
Spuck, J. Arch.I.Wks.	St. Louis, Mo.	2,400	Light structural.
Springfield Bdge.& I.Wks.	Springfield, Ill.	500	" " & Hwy.
Standard Bridge Co.	Omaha, Neb.	700	Highway.
Sterling I. Wks.	Springfield,Mo.	2,500	Light struct. & Hwy.
Stewart Iron Wks.Co.	Covington,Ky.	800	Jail Work.
" " " "	Cincinnati, O.	3,000	Light structural.
St.Louis Arch.I.Co.	St. Louis, Mo.	400	" "
Streeter, H.A.	Chicago, Ill.	500	" "
St.Paul Fdry.Co.	St. Paul, Minn.	10,000	Structural.
Steel & Wike.	Philadelphia, Pa.	3,600	Light structural.
(Have purchased Dauphin Bdge. & Cons. Co.)			
Stupp Bros.Bdge.& I.Wks.	St. Louis, Mo.	5,000	Light struct. & Hwy.
Sumner Iron Works.	Everett, Wash.	500	Light structural.
Smith & Lovett Co.	Boston, Mass.	1,200	Structural.

Topeka Bdge.& I. Wks.	Topeka, Kans.	1,000	Struct. & Hwy.
Toepfer, Wm. & Sons.	Milwaukee, Wis.	300	Light struct. & Hwy.
Toledo Massillon Bdge.Co.	Massillon, O.	6,000	Hwy. & Struct.
Tower, J.H. & Co.	Providence, R. I.	1,200	Structural.
Union Cons.Co.	Springfield, Mass.	6,000	"
Union Iron Works.	Los Angeles, Cal.	1,000	Light struct. & Hwy.
Union Iron & Fdry.Co.	St. Louis,Mo.	6,000	" " "
Union Foundry Works.	Chicago, Ill.	2,000	" " "
United Iron Works Co.,	Springfield, Mo. Aurora,Mo. Iola, Kan. Pittsburg, Kan.	10,000	Structural.
Valley Iron Works.	Williamsport, Pa.	100	Light structural.
Variety Iron Works.	Cleveland, O.	2,000	Light struct. & Hwy.
Van Dorn Iron Works.	Cleveland, O.	2,500	Light struct.
Vaile & Young.	Baltimore, Md.	2,500	" "
Virginia Bdge.& I.Co.	Roanoke, Va.	12,000	Ry. & Hwy.
Vierling & McDowell Co.	Chicago, Ill.	6,000	Structural.
Vincennes Bridge Co.	Vincennes, Ind.	1,000	Light struct. & Hwy.
Vogenthaler, E. G.	Dubuque, Ia.	900	" " "

Wagner, Adolph F.	Milwaukee, Wis.	3,000	Light structural.
Walton Iron Co.	Cincinnati, O.	300	" "
W.Va.Bdge.& Cons.Co. (Owned by N.J.Bdge.Co.)	Wheeling, W. Va.	2,500	Light struct. & Hwy.
Western Iron Works.	Butte, Mont.	300	Light structural.
" " "	San Francisco.	1,000	" "
Westermann Iron Works.	Seattle, Wash.	600	" "
West Side Fdry.Co.	Troy, N. Y.	500	" "
Whitehead & Kales Co.	Detroit, Mich.	3,000	" "
Williamette I.& S.Co.	Portland, Ore.	500	" "
Wisconsin Bdge.& I.Co.	Milwaukee, Wis.	18,000	R. R., & Struct.
Worden Allen Co.	" "	5,000	" "
York Bridge Co.	York, Pa.	3,000	Highway.
York Fdry.& Eng.Wks.	York, Neb.	500	Light structural.
Yant, N.D. & Co.	Allegheny, Pa.	300	" "
		1,214,825	

DEFENDANTS' EXHIBIT NO. 8.
May 24, 1912.

LIST OF COMPETITORS OPERATING SHOPS, May 15th, 1908.

NAME	LOCATION	ANNUAL CAPACITY IN TONS	CLASS OF WORK
Aetna Iron Works.	St. Louis, Mo.	3,000	Light struct. & Hwy.
Albree, Chester B.& I.Wks.	Allegheny, Pa.	1,200	Light structural.
Alderhurst Iron Co.	New Haven, Conn.	200	Structural.
Alexandria Iron Works.	Alexandria, Va.	2,000	Light structural.
Anaconda Copper Mining Co. Foundry Dept.	Anaconda, Mont.	200	" "
Anderson Bridge & Scraper Co.	Anderson, Ind.	100	Highway.
Armourdale Fdry.Co.	Armourdale, Kan.	6,000	Struct. & castings.
Archbold-Brady Co.	Syracuse, N. Y.	1,500	Structural.
Attica Bdge.& Mach.Co.	Attica, Ind.	1,200	Highway.
Atlas Iron Wks.	Minneapolis, Minn.	2,000	Castings.
Baker Iron Works.	Los Angeles, Cal.	4,000	Structural.
Baltimore Bdge. Co.	Baltimore, Md.	20,000	Rwy. Str. & Hwy.
Bancroft, Chas. P.	Philadelphia, Pa.	900	Light structural.

Banner Iron Works.	St. Louis, Mo.	2,400	Struct. & Hwy.
Barber & Ross.	Washington, D. C.	6,000	Light structural.
Bayley, Wm. & Sons Co.	Milwaukee, Wis.	500	Structural.
Becker Iron Works.	New York City.	750	"
Bedall Struct. Steel & Fdy. Co.	New Orleans, La.	2,500	Structural & Hwy.
Belleville Fdry. Co.	Belleville, Ill.	900	" "
Belmont Iron Wks.	Philadelphia & Eddystone, Pa.	12,000	Ry. Str. & Hwy.
Berlin Cons. Co.	Berlin, Conn.	7,000	" "
Bellefontaine Bdge.Co.	Bellefontaine, O.	2,000	Light struct. & Hwy.
Beyer, Charles Co.	New York City.	500	Light Str. & Beams.
Berkeley Steel Co.	San Francisco.	1,000	Structural.
Berry Fdy. Co.	St. Joseph. Mo.	1,000	R. R. Casting & Str.
Bethlehem Fdy.& Mach.Co.	So Bethlehem, Pa.	500	Light structural.
Bethlehem Steel Co.	" "	30,000	Structural.
Biggin, Charles P.	Philadelphia, Pa.	800	Light structural.
Bogert & Calough.	Paterson, N. J.	1,000	Struct. & Hwy.
Bollinger, Andrews Co.	Pittsburgh, Pa.	3,000	Light struct.
Bolter, A. & Sons.	Chicago, Ill.	4,000	Light str. & Hwy.
Boston Bridge Works.	Cambridge, Mass.	24,000	Ry. Str. Hwy.
Bowles, J. H.	Portland, Ore.	6,000	Struct. & Hwy.
Bridgeport Boiler Wks.	Bridgeport, Conn.	100	Structural.

Brode & Clark	San Francisco.	500	Structural.
Bros Boiler & Mfg.Co.	Minneapolis.	5,000	Light str. & Hwy.
Brooks, T. H. & Co.	Cleveland, O.	7,500	Structural.
Brown-Ketchum I. Wks.	Indianapolis.	15,000	"
" " "	Greensburgh, Pa.	6,000	"
Brown, F. O.	Denver, Colo.	1,000	"
Buffalo Str. St. Co.	Buffalo, N. Y.	6,000	Struct. & Hwy.
Burger Iron Co.	Akron, O.	500	Structural.
Caldwell & Drake.	Columbus, Ind.	1,500	Structural & Hwy.
Cambria Steel Co.	Johnstown, Pa.	25,000	R. R. Str. & Hwy.
Canton Bridge Co.	Canton, O.	4,500	Highway.
Capital Iron Works.	Topeka, Kan.	2,000	Light structural.
Central Iron Works.	San Francisco.	800	Structural.
" " "	Quincy, Ill.	1,000	Light structural.
Central States Bdge.Co.	Indianapolis.	4,000	R. R., Str. & Hwy.
Champion Bridge Co.	Wilmington, O.	1,500	Highway.
Champion Iron Co.	Kenton, O.	2,000	Light structural.
Chelmsford Fdry. Co.	Cambridge, Mass.	5,000	Struct. & Castings.
Chesapeake Iron Works.	Baltimore, Md.	6,000	Light struct.
Chicago Brgde & Iron Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Christopher & Simpson.	St. Louis, Mo.	3,000	Structural.
Clapp, Geo. B.	Philadelphia, Pa.	800	Light structural.

Clark & Stowe.	Brooklyn, N. Y.	5,000	Light structural.
Clinton Bdge. & I.Wks.	Clinton, Ia.	5,000	Hwy. & Struct.
Cody, J. J.	South Brooklyn.	500	Light struct. & Beams.
Colnick Mfg. Co.	Milwaukee, Wis.	500	Light structural.
Colo. Iron Wks. Co.	Denver, Colo.	1,000	Structural.
Converse Bridge Co.	Chattanooga, Ten.	4,000	Highway & Struct.
Converse, H.P. & Co.	Boston, Mass.	1,000	" "
Cooper, John Co.	New York City.	2,400	Structural.
Cornell,J.B. & J.M.	New York City & Cold Springs, N. Y.	30,000	"
Cowing, J. P. & Co.	Cleveland, O.	3,000	Struct. & Hwy.
Crown Iron Works.	Minneapolis.	4,000	Light structural.
Cruse, Kemper Co.	Ambler, Pa.	800	" "
Darbyshire Harvie Iron & Mach. Co.	El Paso, Tex.	500	Structural.
Dauchy Iron Works.	Chicago, Ill.	500	"
Dauphin Bdge. & Cons.Co. (Purchased by Steel & Wike.)	Dauphin, Pa.	3,000	Light Struct. & Hwy.
Davenport Fdry.& Mach.Co.	Davenport,Ia.	500	" " "
Davies, John J. & Co.	Philadelphia.	3,000	Structural.
Dearborn Fdry. Co.	Chicago, Ill.	5,000	Light struct. & Hwy.
Decatur Bdge. Co.	Decatur, Ill.	2,000	" " "

DeCou, Richmond.	Philadelphia.	1,200	Light str. & beam work.
DesMoines Bdge.& I.Wks.	Des Moines, Ia.	15,000	Light structural.
Dietrich Bros.	Baltimore, Md.	15,000	Struct. & Castings.
Dildine Bdge.& Cons.Co.	Cameron, Mo.	1,500	Struct. & Hwy.
Dimond, Thomas N.	New York City.	2,400	Structural.
Donovan Wire & Iron Wks.	Toledo, O.	2,000	"
Duffin Iron Works.	Chicago, Ill.	1,000	Light structural.
Dugro, Philip & Son.	Brooklyn, N. Y.	500	Structural.
Dyer Bros.	San Francisco.	10,000	"
Eagle Iron Works.	Brooklyn, N. Y.	500	Light structural.
Earnest, C.F.	Buffalo, N. Y.	3,000	Structural.
Eastern Steel Co.	Pottsville, Pa.	10,000	Ry., Hwy. & Str.
Eastern Bdg. & Str.Co.	Worcester, Mass.	6,000	Struct. & Hwy.
East Chicago Bdge.& I. Wks.	East Chicago.	3,600	Hwy. & Str.
Easton Fdy. & Mach.Co.	Easton, Pa.	1,200	Light struct.
EauClaire Cornice & Heat Co.	EauClaire, Ia.	100	" "
Eichleay, John Jr.& Co.	Pittsburg, Pa.	6,000	Structural.
Elkhart Bdge. Co.	Elkhart, Ind.	1,000	Highway.
Elizabeth Bdge. Co.	Elizabeth, Ill.	12,000	Hwy. & Struct.
El Paso Fdry. & Mach.Co.	El Paso, Tex.	1,000	Structural.

Elwell, H.F.	Springfield, Mass.	150	Light structural.
Enterprise Iron Works.	Albert Lea, Minn.	50	" "
Fagan Iron Works.	Hoboken, N. J.	4,800	Structural.
Fair-Williams Bridge & Mfg. Co.	Ottumwa, Ia.	900	Highway.
Felgenhauer's E. Sons.	Brooklyn, N. Y.	500	Light structural.
Fletcher & Crowell.	Portland, Me.	1,800	Structural.
Fluegal, Anton.	Brooklyn, N. Y.	1,000	Light structural.
Forest City St.& I.Co.	Cleveland, O.	6,000	Struct. & Hwy.
Ft. Pitt Bdge.Co.	Pittsburg, Pa.	18,000	Struct. Rwy. & Hwy.
Friberg, James.	Brooklyn, N. Y.	100	Light structural.
Funk, M. Boiler Wks.	LaCrosse, Wis.	1,000	" "
Garry Iron & St. Co.	Cleveland, O.	2,000	Structural.
Gerst Bros. Mfg.Co.	St. Louis, Mo.	800	Light structural.
Goeller Iron Works.	Newark, N. J.	500	Light str. & Hwy.
Grainger Iron Works.	Louisville, Ky.	6,000	Rwy. Str. & Hwy.
Groton Bridge Co.	Groton, N. Y.	2,500	Ry. Light struct.& Hwy
Guerber Eng. Co.	Bethlehem, Pa.	2,500	Struct. & Hwy.
Hackendahl & Schmidt.	Milwaukee, Ia.	1,000	Light structural.
Hackworthy Cons. Co.	Appleton, Wis.	2,000	Light struct. & Hwy.

Hafers, Chris. I. Wks.	N. Y. City.	500	Light structural.
Halsted, Jos.	Chicago, Ill.	500	" "
Hansell Elcock Co.	"	8,000	Struct. & Hwy.
Harris Mach. Co.	Minneapolis.	3,500	Light structural.
Harrower, E. C.	Buffalo, N. Y.	1,500	Beam punching only.
Hathorn Fdry.& Mach. Co.	Mason City, Ia.	1,200	Light structural.
Happel, Adam.	New York City.	1,000	" "
Hay Fdry. & I.Wks.	Newark, N. J.	20,000	Struct. & Castings.
Hecla Iron Wks.	Brooklyn, N. Y.	1,000	Structural.
Hedden Iron Cons.Co.	Newark, N. J.	200	Light structural.
Herzog Iron Works.	St. Paul, Minn.	4,000	Structural.
Hetherington & Berner.	Indianapolis.	3,000	"
Heyl & Patterson.	Pittsburg, Pa.	3,000	Light structural.
Hennepin Bridge Co.	Minneapolis.	50	Light struct. & Hwy.
Hinkle Iron Co.	New York City.	6,000	Light struct.
Hitner's, Henry A. Sons.	Philadelphia.	1,000	Light struct. & Beams.
Hobell, H. M. & Co.	New York City.	200	Light struct.
Hofius Steel Equipment Co.	Seattle, W.	600	Light struct. & Hwy.
Holmes, Pyett & Co.	Chicago, Ill.	3,000	" " "
Horn, Wm. Struct. I.Wks.	"	1,000	" " "
Hoff, Herman.	Brooklyn, N. Y.	500	Light struct.- beams.
Howell, H. M. & Co.	New York City.	200	Light structural.

Hub City Iron Wks.	Aberdeen, N. D.	1,000	Struct. & Castings.
Hudson Str.St.Co.	New York City.	1,200	Structural.
Hassel Iron Works Co.	Colo.Springs,Colo.	250	"
Illinois Bridge Co.	Sullivan, Ill.	1,500	Highway.
Illinois St. Bdge. Co.	Jacksonville, Ill.	2,500	Light struct. & Hwy.
Indiana Bdge. Co.	Muncie, Ind.	5,000	R. R., Struct. & Hwy.
Indianapolis Bdge.& I.Wks.	Indianapolis.	2,500	Light struct. & Hwy.
Insley Iron Works.	Indianapolis.	500	Structural.
Interstate Engr. Co.	Cleveland, O.	5,000	Light struct. & Hwy.
Iron City Mfg. Co.	Pueblo, Colo.	200	Hwy.(Practically no struct.)
Irvins, Walter.	L. I. City, N. Y.	1,000	Structural.
Jardine, John R.	Farho, Ind.	100	Light structural & Hwy
Jeffrey, Daniel.	Jeanerette, La.	400	Light structural.
Joliet Bdge. & I.Co.	Joliet, Ill.	3,600	Light struct. & Hwy.
Jones & Laughlin St.Co.	Pittsburg, Pa.	30,000	R. R., Str. & Hwy.
Jones, Benj. F.	New York City.	200	Light structural.
Judson Iron Works.	San Francisco.	5,000	Structural.
Kansas City Str.St.Co.	Argentinem, Kan.	1,800	Structural.
Kansas City Wire & I.Wks.	Rosedale, Kan.	5,000	"

Kaw Boiler Works.	Kansas City, Mo.	500	Structural.
Kent, W.D. Iron Wks.	Chicago, Ill.	600	Light structural.
Kenwood Brge. Co.	"	6,000	R. R., Str. & Hwy.
Keystone Str.St.Co.	Royersford, Pa.	5,000	Ry. Str. & Hwy.
King Bridge Co.	Cleveland, O.	20,000	" "
King, Geo.Bdge.Co.	DesMoines, Ia.	2,500	Highway.
Kratzer, W.N. & Co.	Pittsburg,Pa.	5,000	Struct. & Hwy.
Kreatz, F.H.	St. Cloud, Minn.	50	Light structural.
Kunert Mfg. Co.	Watertown, Wis.	3,000	Light struct. & Hwy.
LaCrosse Steel Roofing & Corrugated Co.	LaCrosse, Wis.	600	Structural,Ry. & Hwy.
Lauer & Harper.	Baltimore, Md.	10,000	" " "
Lawrence Iron Works.	Lawrence, Kan.	600	Architectural.
Leavenworth Bridge Co.	Leavenworth, Kan.	300	Highway.
Lenox Iron Works.	New York City.	500	Beams & Light struct.
Levering & Garrigues.	New York City.	18,000	Structural.
Lewinson & Co.	"	500	Beam Work.
Lewis, Jas. C. & Co.	Detroit, Mich.	1,000	Light structural.
Llewellyn Iron Works.	Los Angeles, Cal.	10,000	Structural.
Liberty Iron Works.	New York City.	500	Light structural-Beams
Louisville Bdge.& I.Co.	Louisville, Ky.	8,000	Railroad.
Lukens Iron & St.Co.	New Orleans, La.	2,000	Light structural.
Lyon, W. E. Iron Wks.	New York City.	500	Beams and Light struct

McCullough A. F.& Co.	Philadelphia, Pa.	100	R. R., Str. & Hwy.
McCarthy, A. F. & Co.	Philadelphia, Pa.	400	Light structural.
McClintic-Marshall Cons. Co.	Pittsburg, Pa.	60,000	R. R., Str. & Hwy.
" " "	Carnegie, Pa.	12,000	" "
" " "	Pottstown, Pa.	36,000	" "
McDougall-Potter Co.	New York City.	1,000	Beams & Light struct.
McGil, James H.	Washington, D.C.	100	Structural.
McKinney,Jas.& Son.	Albany, N. Y.	500	Struct. & Ornamental.
McMurray, Robt.W.& Bro.	Brooklyn, N. Y.	2,500	Light structural.
Megquier & Jones Co.	Portland, Me.	4,800	Structural.
McIan Arch.Cons.Co.	New York City.	600	Light structural.
Merritt & Co.	Philadelphia, Pa.	800	Light struct.& Ornamental.
Mesker & Bro.	St. Louis, Mo.	600	Light str. & Hwy.
Milwaukee Bdge. Co.	Milwaukee, Wis.	10,000	R. R., Struct. & Hwy.
Milliken Bros.	New York City.	36,000	" "
Michigan Bdge.Co.	Portland, Mich.	100	Light str. & Hwy.
Minneapolis Steel & Mach. Co.	Minneapolis.	25,000	R. R., Struct. & Hwy.
Missouri Bdge. Co.	E. St. Louis, Ill.	1,000	Highway.
Missouri Bdge.& I.Co.	Leavenworth, Kan.	3,000	R. R., Str. & Hwy.
Modern Str. St. Co.	Waukesha, Wis.	10,000	" " "

Moore Bros.Fdy.	Wichita, Kan.	1,000	Struct. & Castings.
Montana Iron Works.	Butte, Mon.	250	Structural.
Mortensen Cons.Co.	San Francisco.	600	"
Moresi Fdy.& Mach.Co.	Jeanerette,La.	400	Light structural.
Mosher Mfg. Co.	Dallas, Tex.	2,700	" "
Morava Cons. Co.	Chicago, Ill.	6,000	R. R., Struct. & Hwy.
Mt.Vernon Bridge Co.	Mt.Vernon, O.	7,500	" " "
Myer Bros.	Mankato, Minn.	100	Light struct. & Hwy.
National Iron & Wire Co.	Cleveland, O.	2,500	Structural.
National Bridge Works.	L.I. City, N. Y.	5,000	"
National Iron Works.	St. Louis, Mo.	1,200	Light structural.
National Iron Works.	Spokane, Wash.	300	" "
New England Struct.Co.	Boston & Everett, Mass.	24,000	Ry. & Struct.
New Jersey Bridge Co.	Manasquan, N. J.	7,200	Hwy. & Struct.
New Prague Fdy.Co.	New Prague, Minn.	1,100	" "
New York Bdge. & Iron Co.	New York City.	300	Light struct. & Hwy.
Noelke Richards I.Wks.	Indianapolis.	3,000	Light structural.
North Penn Iron Co.	Philadelphia.	600	" "
Northwestern Fdy. Co.	Minneapolis.	6,000	Struct. & Hwy.
Northern Boiler & Cons. Wks.	Appleton, Wis.	500	Light str.& Light Hwy.

Oklahoma City Fdy.& Mach. Shop.	Okla. City.	100	Castings.
Omaha Str. St. Wks.	Omaha, Neb.	300	Light highway.
Oregonia Bdge. Co.	Oregonia. O.	1,000	Highway.
Ottumwa Bdge. Co.	Ottumwa, Ia.	3,500	Struct. & Hwy.
Owego Bridge Co.	Owego, N. Y.	3,500	Ry.Light Str.& Hwy.
Pacific Iron Works.	Portland, Ore.	1,200	Light structural.
Pacific Rolling Mills Co.	San Francisco.	9,000	Structural.
Pan American Bridge Co.	New Castle, Ind.	2,500	Highway.
Parker, Thatcher A.	Terre Haute, Ind.	1,500	Light structural.
Passaic Steel Co.	Paterson, N. J.	18,000	R. R. Struct. & Hwy.
Paxton & Vierling I.Wks.	Omaha, Neb.	8,000	Structural.
Pearson, S.P. & Co.	New York City.	1,200	Beams & Light struct.
Pennsylvania Steel Co.	Steelton, Pa.	90,000	Hwy. Ry. & Str.
Penn Bridge Co.	Beaver Falls, Pa.	6,000	" " "
Phoenix Iron Co.	Phoenixville,Pa.	40,000	" " "
Phoenix Bridge Co.	" "		
Pietsch,Ford,Str.I.Wks.	Chicago, Ill.	1,000	Structural.
Pirkl, John I. Wks.	Brooklyn, N.Y.	6,000	"
Pittsburg, Bdge. & Iron Wks.	Rochester, Pa.	3,000	"
Pittsburg St.Cons.Co.	Economy, Pa.	4,000	"

Popke & Son.	Brooklyn, N. Y.	500	Light structural.
Portage Iron Works.	Portage, Wis.	100	" "
Presteem, Peter	Nero, Wis.	100	" "
Prince Iron Works.	New York City.	1,000	" "
Providence St.& I.Co.	Providence, R. I.	1,500	Struct. & Castings.
Potthoff, W. & Co.	Cincinnati.	4,000	Structural.
Pueblo Fdy.& Mach.Co.	Pueblo, Colo.	200	"
Puget Sound Dry-dock & Mach. Co.	Tacoma, Wash.	100	Light structural.
Prova Foundry & Mach.Co. (Formerly Pierpont & Heaton.)	Prova, Utah.	100	" "
Quackenbusch, Jno. M.	Webster City, Ia.	75	Light struct. & Hwy.
Radley, J.J. & Co.	New York City.	1,500	Structural.
Ralston Iron Works.	San Francisco.	5,000	"
Rapp Iron Works.	New York City.	600	Beam and light work.
Rarig Eng. Co.	Columbus, O.	500	Light structural.
Ravitch Bros.	New York City.	2,000	Structural.
Remppis, Wm. F. Co.	Reading, Pa.	1,000	Light struct. & Orn.
Reynolds, E. & P. Co.	New York City, N.Y.	500	Structural.
Riter-Conley Mfg.Co.	Pittsburg, Pa.	15,000	R. R. & Struct.
Riverside Bridge Co.	Wheeling, W.Va.	7,000	R. R., Struct. & Hwy.

Riverside Iron Works.	Kansas City, Mo.	3,500	Castings.
Rochester Bdge.& Cons.Co.	Montour Falls.	2,400	Light struct. & Hwy.
Rochester Bridge Co.	Rochester, Ind.	800	" " "
Ross, German & Co.	New York City.	500	Beams and light struct.
Rodgers Iron Co.	Springfield, O.	500	Structural.
Republic Iron & Wire Co.	Cleveland, O.	2,500	"
Russell Wheel & Fdy.Co.	Detroit, Mich.	8,000	"
Salt Lake Eng.Wks.	Salt Lake City.	300	Light struct. & Hwy.
Sandblom,Gustave, Arch. Iron Works.	Brooklyn, N. Y.	1,000	Structural.
Scaar, Frank & Co.	Chicago, Ill.	1,000	Light structural.
Scaife, Wm.B.& Sons Co.	Pittsburg,Pa.	6,000	" "
Scherbner, Paul I.Wks.	New York City.	500	Structural.
Schrader Iron Works.	San Francisco.	600	"
Schreiber,L. & Sons Co.	Cincinnati.	6,000	Structural & Hwy.
Schurk Iron Works.	St. Louis, Mo.	700	Light structural.
Scully St. & I.Co.	Chicago, Ill.	2,000	Structural.
Seaton, Jno.Fdy.& Mfg.Co.	Atchison, Kan.	9,000	Struct. & Castings.
Seattle Hardware Co.	Seattle, Wash.	500	Light structural.
Seavers Mfg. Co.	Oskaloosa, Ia.	600	" "
Seneca Eng. Co.	Montour Falls.	1,000	Struct. & Hwy.
Sherwin, E. C. & Son.	Brendon, Wis.	100	Light struct. & Hwy.

Shorthill, A. E.	Marshalltown.	5,000	Light structural.
Shoemaker, Lewis.	Pottstown, Pa.	10,000	Ry. Str. & Hwy.
Silver Bros. I.Wks.	Salt Lake City.	1,000	Structural.
Skobis Bros.	Milwaukee, Wis.	3,600	Light structural.
Smeeth Co.	Chicago, Ill.	5,000	Struct. & Rwy.
Smith, G.W. & F.Iron Co.	Roxbury, Mass.	5,000	Struct. & Castings.
Smyser, Royer Co.	York, Pa.	600	Light str. & Orn.
Smith & Lovett Co.	Boston, Mass.	1,200	Structural.
Snare & Triest Co.	New York City.	600	Struct. & Beam.
Snead Arch. I. Wks.	Louisville, Ky.	2,600	Structural.
Snead & Co.Iron Wks.	Jersey City, N. J.	2,400	Structural.
So.Halstead St.I.Wks.	Chicago, Ill.	6,000	"
Southwestern Bridge Co.	Joplin, Mo.	3,500	Ry. Str. & Hwy.
Southwestern Bridge & I. Co.	Enid, Ok.	400	Highway.
Southern Bridge Co.	Brimingham, Ala.	1,200	Highway & Light Struct
Spuck, J., Arch. Wks.	St. Louis, Mo.	2,400	Light struct.
Springfield Bdge. & I.Wks.	Springfield, Ill.	500	Light struct. & Hwy.
Standard Bridge Co.	Red Oak, Iowa.	700	Highway.
Sterling Iron Works.	Springfield, Mo.	2,500	Light struct. & Hwy.
Steel & Wike.	Dauphin, Pa.	1,000	Light structural.
Stevens I.Wks.& Fireproofing Co.	Cleveland, O.	1,000	Structural.

Stewart & Stevens I.Wks.	Philadelphia.	1,000	Light structural.
St. Louis Arch.I.Co.	St. Louis, Mo.	400	" "
Streeter, H. A.	Chicago, Ill.	500	" "
St. Paul Fdy.Co.	St. Paul, Minn.	18,000	Struct. & Rwy.
Stupp Bros.	St. Louis, Mo.	5,000	Light struct. & Hwy.
Sumner Iron Works.	Everett, Wash.	500	Light structural.
Syracuse Bridge Co.	Syracuse, N. Y.	100	Structural.
Terry & Tench Co.	New York City.	1,000	"
Thatcher-Parker A.	Terre Haute, Ind.	800	Highway.
Toepfer, Wm. & Sons.	Milwaukee, Wis.	300	Light struct. & Hwy.
Topeka Bdge.& I.Wks.	Topeka, Kans.	800	Highway.
Toledo-Massilon Bdge.Co.	Massilon, O.	4,000	"
" " "	Toledo, O.	15,000	Ry. Hwy. & Struct.
Tower, J. H.	Providence, R. I.	1,500	Structural.
Union Iron Works.	Spokane, Wash.	100	"
" " "	Los Angeles, Cal.	3,000	"
" " "	Hoboken, N. J.	1,200	Light struct.
Union Iron & Fdy. Co.	St. Louis, Mo.	6,000	Light struct. & Hwy.
Union Fdy. Works.	Chicago, Ill.	2,000	" " "

United Iron Works Co.	Springfield, Mo. Aurora, Mo. Iola, Kan. Pittsburg, Kan.	10,000	Structural.
Uris, HarrisH.I.Wks.	New York City.	500	"
Valley Iron Works.	Williamsport, Pa.	100	Light structural.
Variety Iron Works.	Cleveland, O.	5,000	Light struct & Hwy.
Van Dorn Iron Works.	" "	4,500	Struct. & Hwy.
Vaile & Young.	Baltimore, Md.	2,500	Light structural.
Vierling & McDowell Co.	Chicago, Ill.	6,000	Structural.
Vincennes Bridge Co.	Vincennes, Ind.	1,500	Highway.
Virginia Bridge & Iron Co	Roanoke, Va.	24,000	Ry. Str. & Hwy.
" " "	Burlington, N.C.	6,000	Struct. & Hwy.
Vogenthaler, E. G.	Dubuque, Ia.	900	Light struct. & Hwy.
Vulcan Iron Works.	Seattle, Wash.	600	Structural.
Vulcan Iron & Steel Wks.	Milwaukee, Wis.	500	Light struct. & Orn.
Wagner, Adolph F.	Milwaukee, Wis.	3,000	Light struct.
Wayne Iron Works.	Wayne, Pa.	800	Light struct. & Orn.
W. Va.Bdge.& Cons.Co.	Wheeling, W. Va.	2,500	N.E.Bdge.Co. owners.

Western Iron Works.	Butte, Mon.	300	Light structural.
" " "	San Francisco.	5,000	" "
Westerman Iron Works.	Seattle, Wash.	600	" "
West Coast Wagon Wks.	Tacoma, Wash.	300	Structural.
West Side Fdy. Co.	Troy, N. Y.	500	Beams.
Whalecreek Iron Works.	Brooklyn, N. Y.	500	Light struct. & Beams.
Whitehead & Kales Co.	Detroit, Mich.	4,500	Structural.
Williamette Iron & St.Co.	Portland, Ore.	500	Light structural.
Wisconsin Bridge & Iron Co.	Milwaukee, Wis.	15,000	R. R., Str. & Hwy.
Worden Allen Co.	" "	12,000	Light structural.
Wurtz & Son.	Buffalo, N. Y.	1,500	Structural.
Yale Safe & Iron Co.	New Haven, Conn.	300	Light structural.
Yant, N. D. & Co.	Pittsburg, Pa.	3,000	" "
York Bridge Co.	York, Pa.	3,500	Highway & Light struct
York Foundry & Eng.Wks.	York, Neb.	500	Machine castings.

TOTAL ANNUAL CAPACITIES

Competitors in Eastern Division	646,100	tons.
" " Central Division	413,300	"
" " Western Division	428,125	"
	1,487,525	tons.

DEFENDANTS' EXHIBIT NO. 9.
May 24, 1912.

LIST OF COMPETITORS OPERATING SHOPS, May 15, 1909.

NAME	LOCATION	ANNUAL CAPACITY IN TONS	CLASS OF WORK
Aetna Iron Works.	St. Louis, Mo.	3,000	Lt. Struct.& Hwy.
Albree,Chester B. I.Wks.	Allegheny, Pa.	1,200	Lt. Structural.
Alderhurst Iron Co.	New Haven, Conn.	200	Structural.
Alexandria Iron Works.	Alexandria, Va.	2,000	Lt. Structural.
Anaconda Copper Mining Co. Fdry. Dept.	Anaconda, Mont.	200	Lt. Structural.
Anderson Bdge. & Scraper Co.	Anderson, Ind.	100	Highway.
Armourdale Fdry Co.	Armourdale, Kans.	1,500	Structural.
Archbold-Brady Co.	Syracuse, N.Y.	1,500	Structural.
Attica Bridge & Mch.Co.	Attica, Ind.	2,000	Highway.
Atlas Iron Works.	Minneapolis, Minn.	2,000	Castings.
Baker Iron Works.	Los Angeles, Calif.	4,000	Structural.
Baltimore Bridge Co.	Baltimore, Md.	20,000	Rwy., Struct. & Hwy.
Bancroft, Chas. P.	Philadelphia, Pa.	900	Lt. Structural.
Banner Iron Works.	St. Louis, Mo.	2,400	Struct. & Hwy.

Barber & Ross.	Washington, D. C.	6,000	Lt. Structural.
Bayley, Wm. & Sons Co.	Milwaukee, Wis.	500	Structural.
Becker Iron Works.	New York City.	750	Structural.
Bedell Struct. Steel & Fdry. Co.	New Orleans, La.	2,500	Struct. & Hwy.
Bellefontaine Bridge Co.	Bellefontaine, O.	2,000	Light Str. & Hwy.
Belleville Fdy. Co.	Belleville, Ill.	900	Have no Struct. shop.
Belmont Iron Works.	Philadelphia & Eddystone, Pa.	12,000	Rwy., Struct. & Hwy.
Berlin Cons. Co.	Berlin, Conn.	7,000	Rwy. Struct. & Hwy.
Berkeley Steel Co.	San Francisco, Cal.	1,000	Structural.
Berry Fdry. & Mfg. Co.	St. Joseph, Mo.	800	R. R. Castings & Struc
Bethlehem Fdry. & Mch. Co.	Bethlehem, Pa.	500	Lt. Structural.
Beyer, Charles Co.	New York City.	500	Lt. Structural, Beams.
Biggin, Charles F.	Philadelphia, Pa.	800	Lt. Structural.
Bogert & Carlough.	Paterson, N. J.	1,000	Structural & Hwy.
Bollinger, Andrews Co.	Pittsburg, Pa.	3,000	Lt. Structural.
Bolter, A. & Sons.	Chicago, Ill.	4,000	Lt. Struct. & Hwy.
Boston Bridge Works.	Cambridge, Mass.	24,000	Ry. Struct. & Hwy.
Bridgeport Boiler Works.	Bridgeport, Conn.	100	Structural.
Brode & Clark.	San Francisco, Cal.	500	Structural.
Brooks, T. H. & Co.	Cleveland, O.	7,500	Structural.
Bros Boiler & Mfg. Co.	Minneapolis, Minn.	2,500	Lt. Struct. & Hwy.

Brown Ketchum Ir. Wks.	Indianapolis.	15,000	Structural.
" " " "	Greensburgh, Pa.	6,000	Structural.
Browne, F. O.	Denver, Colo.	1,000	Structural.
Buffalo Struct.St.Co.	Buffalo, N.Y.	6,000	Struct. & Hwy.
Burger Iron Co.	Akron, O.	500	Structural.
Caldwell & Drake.	Columbus, Ind.	1,500	Struct. & Hwy.
Cambria Steel Co.	Johnstown, Pa.	25,000	R. R., Struct. & Hwy.
Canton Bridge Co.	Canton, O.	4,500	Highway.
Capital Iron Works.	Topeka, Kans.	1,500	Lt. Struct.
Central Iron Works.	San Francisco.	800	Structural.
" " "	Quincy, Ill.	1,000	Lt. Structural.
Central States Bridge Co.	Indianapolis, Ind.	4,000	R. R., Struct. & Hwy.
Champion Bridge Co.	Wilmington, O.	1,500	Highway.
Champion Iron Co.	Kenton, O.	2,000	Lt. Structural.
Chelmsford Fdry. Co.	Cambridge, Mass.	5,000	Struct. & Castings.
Chesapeake Iron Works.	Baltimore, Md.	6,000	Lt. Structural.
Chicago Bridge & I.Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Christopher & Simpson.	St. Louis, Mo.	3,000	Structural.
Clapp, Geo. B.	Philadelphia, Pa.	800	Lt. Structural.
Clarke & Stowe.	Brooklyn, N. Y.	5,000	Structural.
Clinton Bridge & I.Wks.	Clinton, Ia.	5,000	Hwy. & Structural.
Clyde Iron Works.	Duluth, Minn.	5,000	Lt. Struct. & Orn.

Cody, J. J.	Brooklyn, N. Y.	500	Lt. Struct. & Beams.
Colnick Mfg.Co.	Milwaukee, Wisc.	500	Light struct.
Converse Bridge Co.	Chattanooga, Tenn.	4,000	Highway & Struct.
Converse, H. P. & Co.	Boston, Mass.	1,000	" "
Cooper, John Co.	New York City.	2,400	Structural.
Cornell, J.B. & J.M.	New York City & Cold Springs, N.Y.	30,000	Structural.
Cowing, J.P. & Co.	Cleveland, O.	3,000	Struct. & Hwy.
Crown Iron Works.	Minneapolis, Minn.	4,000	Lt. Struct. & Orn.
Cruse, Kemper & Co.	Ambler, Pa.	800	" " "
Dauchy Iron Works.	Chicago, Ill.	500	Structural.
Dauphin Bridge & Cons.Co.	Dauphin, Pa.	3,000	Lt. Struct. & Hwy.
Davenport Fdry.& Mch.Co.	Davenport, Ia.	500	" " "
Davies, John T. & Co.	Philadelphia, Pa.	3,000	Structural.
Dearborn Fdry. Co.	Chicago, Ill.	5,000	Lt. Struct. & Hwy.
Decatur Bridge Co.	Decatur, Ill.	2,000	" " "
Decou, Richmond.	Philadelphia, Pa.	1,000	Lt.Struct. & Bm.Wk.
DesMoines Bridge & Iron Wks.	Des Moines, Ia.	15,000	Struct. Hwy. & R. R.
Dietrich Bros.	Baltimore, Md.	15,000	Struct. & Castings.
Dildine Bridge & Cons.Co.	Cameron, Mo.	1,500	Struct. & Hwy.
Dimond, Thomas N.	New York City.	2,400	Structural.

Donovan Wire & Iron Co.	Toledo, O.	2,000	Structural.
Duffin Iron Works.	Chicago, Ill.	1,000	Lt. Structural.
Dugro, Philip & Son.	Brooklyn, N. Y.	500	Structural.
Dyer Bros.	San Francisco.	10,000	Structural.
Eagle Iron Works.	Brooklyn, N.Y.	500	Lt. Structural.
Ernst, C. F.	Buffalo, N. Y.	3,000	Structural.
Eastern Steel Co.	Pottsville, Pa.	10,000	Ry. Hwy. Struct.
Eastern Bridge & Str.Co.	Worcester, Mass.	6,000	Struct. & Hwy.
East Chic. Bridge & Ir. Wks.	Chicago, Ill.	3,600	" " "
Easton Fdry. & Mch.Co.	Easton, Pa.	1,200	Lt. Struct.
Eau Claire Cornice & Heat Co.	Eau Claire, Ia.	500	" "
Eichleay, John Jr.& Co.	Pittsburg, Pa.	6,000	Structural.
Elkhart Bridge Co.	Elkhart, Ind.	1,000	Highway.
El Paso Fdry.& Mch.Co.	El Paso, Texas.	200	Structural.
Elwell, H.F.	Springfield, Mass.	150	Lt. Structural.
Enterprise Iron Works.	Albert Lea, Minn.	50	" "
Fagan Iron Works.	Hoboken, N.J.	4,800	Structural.
Fair-Williams Bridge & Mfg. Co.	Ottumwa, Ia.	900	Highway.
Felgenhauer's E. Sons.	Brooklyn, N. Y.	500	Lt. Struct.
Fletcher & Crowell.	Portland, Maine.	1,800	Structural.

Fulegal, Anton & Co.	Brooklyn, N. Y.	1,000	Lt. Structural.
Forest City St.& Ir.Co.	Cleveland, O.	6,000	Struct. & Hwy.
Fort Pitt Bridge Co.	Pittsburg, Pa.	16,000	Struct.Hwy.& Rwy.
Friberg, James.	Brooklyn, N.Y.	100	Lt. Struct.
Funk, M. Boiler Wks.	La Crosse, Wis.	1,000	" "
Garry Iron & Steel Co.	Cleveland, O.	2,000	Structural.
Gerst Bros.Mfg.Co.	St. Louis, Mo.	500	Lt. Struct.
Goeller Iron Works.	Newark, N. J.	500	Lt. Struct. & Hwy.
Grainger Iron Works.	Louisville, Ky.	6,000	Rwy. Hwy.& Struct.
Groton Bridge Co.	Groton, N. Y.	2,500	Rwy.Lt.Str; & Hwy.
Guerber Eng. Co.	Bethlehem, Pa.	3,500	Struct. & Hwy.
Hackendahl & Schmidt.	Milwaukee.	1,000	Lt. Struct.
Hackworthy Cons.Co.	Appleton, Wisc.	2,000	Lt. Struct. & Hwy.
Hafers, Chris.I.Wks.	New York City.	500	Lt. Structural.
Halsted, Jos.	Chicago, Ill.	500	" "
Hammel Iron Works.	Jersey City, N. J.	500	Structural.
Hansel Elcock Co.	Chicago, Ill.	8,000	Struct. & Hwy.
Happel, Adam.	New York City.	1,000	Lt. Structural.
Hartis Machine Co.	Minneapolis, Minn.	3,500	" "
Harrower, E. C.	Buffalo, N. Y.	1,500	Beam Punching only.
Hassel Iron Works.	Colo. Springs, Colo.	250	Lt. Structural.

Hathorn Fdry.& Mch. Co.	Mason City, Ia.	1,200	Lt. Structural.
Hay Foundry & Iron Works.	Newark, N. J.	20,000	Struct. & Castings.
Hecla Iron Works.	Brooklyn, N. Y.	1,000	Structural.
Hedden Iron Cons.Co.	Newark, N. J.	200	Lt. Struct.
Hennepin Bridge Co.	Minneapolis, Minn.	50	Lt. Str. & Hwy.
Herzog Iron Works.	St. Paul, Minn.	1,000	Lt. Struct.
Hetherington & Borner.	Indianapolis.	3,000	Structural.
Heyl & Patterson.	Pittsburg, Pa.	3,000	Lt. Struct.
Hinkle Iron Co.	New York City.	6,000	" "
Hitner Henry A. & Sons.	Philadelphia, Pa.	1,000	Lt. Str. & Bms.
Hobell, H.M. & Co.	New York City.	200	Lt. Struct.
Hoff, Herman.	Brooklyn, N. Y.	500	Lt. Str. & Bms.
Hofius Steel Equip.Co.	Seattle, Wash.	600	Lt. Str. & Hwy.
Holmes, Pyott & Co.	Chicago, Ill.	3,000	" " "
Horn, Wm.Struct.I.Wks.	" "	1,000	" " "
Howell,H.M. & Co.	New York City.	200	Lt. Struct.
Houston Str.St.Co.	Houston, Texas.	1,000	" "
Hub City Iron Works.	Aberdeen, N. D.	1,000	Struct. & Casting.
Hudson Str.St.Co.	New York City.	1,200	Structural.
Illinois Bridge Co.	Sullivan, Ill.	1,500	Highway.
Illinois Steel Bridge Co.	Jacksonville, Ill.	2,500	Lt. Str. & Hwy.
Independent Bridge Co.	Pittsburg, Pa.	3,000	Lt. Struct.

Indiana Bridge Co.	Muncie, Ind.	5,000	R. R. Str. & Hwy.
Indianapolis Bridge & Ir. Wks.	Indianapolis.	2,500	Lt. Str. & Hwy.
Interstate Eng. Co.	Cleveland, O.	5,000	" " "
Iron City Mfg. Co.	Pueblo, Colo.	200	Highway.
Irving Iron Works.	Long Island City, N.Y.	2,000	Structural.
Jardine, John R.	Fargo, N. D.	100	Struct. Lt. & Hwy.
Jeffrey, Daniel.	Jennerette, La.	400	Lt. Struct.
Joliet Bridge & I.Co.	Joliet, Ill.	3,600	Lt. Str. & Hwy.
Jones & Laughlin St.Co.	Pittsburg, Pa.	50,000	R. R. Str. & Hwy.
Jones, Benj. F.	New York, N. Y.	200	Lt. Struct.
Judson Iron Works.	San Francisco.	5,000	Structural.
Just, Geo. A.	Brooklyn, N. Y.	600	"
Kansas City Str.St.Co.	Argentine, Kans.	5,000	"
Kansas City Wire & I.Wks.	Rozedale, Kans.	2,500	"
Kaw Boiler Works.	Kansas City, Mo.	300	"
Kent, W. D.Iron Wks.	Chicago, Ill.	600	Lt. Struct.
Kenwood Bridge Co.	" "	6,000	R. R. Struct. & Hwy.
Keystone Str.St.Co.	Royersford, Pa.	5,000	" " "
King Bridge Co.	Cleveland, O.	20,000	" " "
King,Geo.E.Bridge Co.	Des Moines, Ia.	2,500	Highway.

Kratzer, W.H. & Co.	Pittsburg, Pa.	5,000	Str. & Hwy.
Kreatz, F. E.	St. Cloud, Minn.	50	Lt. Struct.
Kunert Mfg. Co.	Watertown, Wis.	3,000	Lt. Str. & Hwy.
Lackawanna Steel Co.	Buffalo, N. Y.	20,000	Beam Work.
LaCrosse Steel Roofing & Corrugating Co.	LaCrosse, Wisc.	600	Str. Rw. Hwy.
Lauer & Harper.	Baltimore, Md.	10,000	" " "
Lawrence Iron Works.	Lawrence, Kans.	600	Architectural.
Leavenworth Bridge Co.	Leavenworth, Kans.	300	Highway.
Lenox Iron Works.	New York City.	500	Beam & Lt. Str.
Levering & Garrigues.	New York City.	18,000	Structural.
Lewinson & Co.	"	500	Beam Work.
Lewis, Jas.C.& Company.	Detroit, Mich.	1,000	Lt. Struct.
Llewellyn Iron Works.	Los Angeles, Calif.	10,000	Structural.
Liberty Iron Works.	New York City.	500	Lt. Str. & Bms.
Louisville Bridge & I.Co.	Louisville, Ky.	8,000	Railway.
Lukens Iron & Steel Co.	New Orleans, La.	2,000	Lt. Struct.
Lyon W. Iron Works.	New York City.	500	Bm. & Lt. Str.
Marshall, Wallace.	Lafayette, Ind.	1,200	Str. & Hwy.
Massillon Br.& Str.Co.	Massillon, O.	4,000	R. R. Str. & Hwy.
McCarthy, A. D. & Co.	Philadelphia, Pa.	400	Lt. Struct.

McClintic-Marshall Cons. Co.	Pittsburg, Pa.	60,000	R. R. Str. & Hwy.
" " "	Pottstown, Pa.	36,000	" " "
" " "	Carnegie, Pa.	12,000	" " "
McCullough, A. F.& Co.	Philadelphia, Pa.	100	R. R. Str. & Hwy.
McDougall-Potter Co.	New York City.	1,000	Bms. & Lt. Str.
McGil, James H.	Washington, D. C.	100	Structural.
McKinney, Jas. & Son.	Albany, N. Y.	500	Struct. & Orn.
McMurray,Robt.N.& Son.	Brooklyn, N. Y.	2,500	Lt. Struct.
Megquier & Jones Co.	Portland, Maine.	4,800	Struct.
Melan Arch.Cons.Co.	New York City.	600	Lt. Struct.
Merritt & Co.	Philadelphia, Pa.	800	Lt. Str. & Orn.
Mesker & Bro.	St. Louis, Mo.	600	Lt. Str. & Hwy.
Milliken Bros.	New York City.	36,000	R. R. Str. & Hwy.
Milwaukee Bridge Co.	Milwaukee, Wisc.	10,000	" " "
Minneapolis St.& Mch.Co.	Minneapolis, Minn.	25,000	" " "
Missouri Bridge Co.	E.St.Louis,Ill.	1,000	Hwy. & Lt. Str.
Missouri Bridge & I.Co.	Leavenworth, Kans.	3,000	R. R. Str. & Hwy.
Modern Str.Steel Co.	Waukesha, Wisc.	10,000	" " "
Moore Bros. Fdry.	Wichita, Kans.	600	Str. & Castings.
Montana Iron Works.	Butte, Mont.	250	Structural.
Morava Cons.Co.	Chicago, Ill.	6,000	R. R. Str. & Hwy.
Moresi Fdry. & Mch. Co.	Jeanerette, La.	400	Lt. Struct.

Mortensen Cons.Co.	San Francisco.	600	Structural.
Mosher Mfg. Co.	Dallas, Tex.	2,700	Lt. Struct.
Mt.Vernon Bridge Co.	Mt. Vernon, O.	7,500	" "
Myer Brothers.	Mankato, Minn.	100	Lt. Str. & Hwy.
National Bridge Works.	L.I. City, N. Y.	5,000	Structural.
National Iron Works.	Duluth, Minn.	2,500	Lt. Str. & Hwy.
" " "	St. Louis, Mo.	1,200	Lt. Structural.
" " "	Spokane, Wash.	300	" "
National Iron & Wire Co.	Cleveland, O.	2,500	Structural.
New England Str.Co.	Boston & Everett	24,000	Ry. & Struct.
New Jersey Bridge Co.	Manasquan, N. J.	7,200	Rwy. & Struct.
New Prague Fdry. Co.	New Prague, Minn.	1,100	" "
New York Bridge & Iron Co	New York City.	300	Lt. Str. & Hwy.
Noelke-Richards Iron Co.	Indianapolis.	3,000	Lt. Struct.
North Penn Iron Co.	Philadelphia, Pa.	600	" "
Northern Boiler & Cons. Co.	Appleton, Wisc.	500	Lt. Str. & Hwy.
Northwestern Bridge Wks.	Portland, Oreg.	500	" " "
Northwestern Fdry.Co.	Minneapolis, Minn.	6,000	Struct. & Hwy.
Norton, Alfred E. Co.	Boonton, N. J.	3,000	Structural.

Oklahoma City Fdry. & Mach. Shop.	Oklahoma City.	200	Castings.
Omaha Str. St. Wks.	Omaha, Nebr.	300	Lt. Highway.
Oregonia Bridge Co.	Oregonia, O.	1,000	Highway.
Ottumwa Bridge Co.	Ottumwa, Ia.	3,500	Str. & Hwy.
Owego Bridge Co.	Owego, N. Y.	3,500	Ry. Lt. Str. & Hwy.
Pacific Iron Works.	Portland, Oreg.	1,200	Lt. Struct.
Pacific Rolling Mills.Co.	San Francisco.	9,000	Structural.
Pan-American Bridge Co.	New Castle, Ind.	2,500	Highway.
Passaic Steel Co.	Paterson, N. J.	18,000	R. R. Str. & Hwy.
Paxton & Vierling Ir.Wks.	Omaha, Nebr.	8,000	Str. & Castings.
Pearson, S.P. & Co.	New York City.	1,200	Bms. & Lt. Str.
Penn Bridge Co.	Beaver Falls, Pa.	6,000	Rwy. Str. & Hwy.
Pennsylvania Steel Co.	Steelton, Pa.	90,000	" " "
Phoenix Bridge Co.	Phoenixville, Pa.		
Phoenix Iron Co.	" "	40,000	" " "
Pietsch, Ford Str.I.Wks.	Chicago, Ill.	1,000	Structural.
Pirkl, John I.Wks.	Brooklyn, N. Y.	6,000	"
Pittsburg Bridge & Ir.Wks	Rochester, Pa.	3,000	"
Pittsburg Steel Cons.Co.	Economy, Pa.	4,000	"
Poppke & Son.	Brooklyn, N. Y.	500	Lt. Structural.
Portage Iron Works.	Portage, Wisc.	100	" "

Potthoff, W.& Co.	Cincinnati, O.	4,000	Structural.
Presteem, Peter.	Nero, Wisc.	100	Lt. Structural.
Prince Iron Works.	New York City.	1,000	" "
Providence Steel & Ir.Wks	Providence, R. I.	1,500	Str. & Castings.
Provo Fdry. & Mch.Co.	Provo, Utah.	100	Lt. Structural.
Pueblo Fdry. & Mch.Co.	Pueblo, Colo.	200	Structural.
Puget Sound Dry-dock & Mch. Co.	Tacoma, Wash.	100	Lt. Structural.
Quackenbusch, John M.	Webster City, Ia.	75	Lt. Struct. Hwy.
Radley, J. J. & Co.	New York City.	1,500	Structural.
Ralston Ir. Wks.	San Francisco.	5,000	"
Rapp Iron Works.	New York City.	500	Beam & Lt. Wk.
Rarig Eng. Co.	Columbus, Ohio	500	Lt. Struct.
Ravitch Bros.	New York City.	2,000	Structural.
Remppis, Wm.F. Co.	Reading, Pa.	1,000	Lt. Str. & Orn.
Republic Iron & Wire Co.	Cleveland, O.	2,500	Lt. Structural.
Reynolds, E. & P. Co.	New York City.	500	Structural.
Riter-Conley Mfg.Co.	Pittsburg, Pa.	15,000	R. R. & Struct.
Riverside Bridge Co.	Wheeling, W. Va.	7,000	R. R. Struct.& Hwy.
Riverside Iron Works.	Kansas City, Mo.	3,500	Castings.
Rochester Bridge & Con.Co	Montour Falls, N.Y.	2,400	Lt. Str. & Hwy.

Rochester Bridge Co.	Rochester, Ind.	800	Lt. Str. & Hwy.
Rodgers Iron Co.	Springfield, O.	500	Structural.
Ross, German & Co.	New York City.	500	Bm. & Lt. Struct.
Russel Wheel & Fdry.Co.	Detroit, Mich.	8,000	Beams.
Ryerson, Jos.T.& Son.	Chicago, Ill.	20,000	Structural.
Salt Lake Eng.Wks.	Salt Lake City.	300	Lt. Str. & Hwy.
Sandblom,Gustave Arch. I. Wks.	Brooklyn, N. Y.	1,000	Structural.
Scaar, Frank& Co.	Chicago, Ill.	1,000	Lt. Struct.
Scaife, WM.H.& Sons Co.	Pittsburg, Pa.	6,000	" "
Scherbner, Paul I.Wks.	New York City.	500	Structural.
Schrader Ir. Wks.	San Francisco.	600	"
Schreiber,L.& Sons Co.	Cincinnati, O.	6,000	Struct. & Hwy
Schurk Iron Works.	St. Louis, Mo.	700	Lt. Struct.
Scully St. & I.Co.	Chicago, Ill.	2,000	Structural.
Seaton,Jno.Fdry.& Mfg.Co.	Atchison, Kans.	7,000	Castings.
Seavers Mfg.Co.	Oskaloosa, Ia.	600	Lt. Structural.
Seneca Eng.Co.	Montour Falls,N.Y.	1,000	Struct. & Hwy.
Sherwin, E. C. & Sons.	Brandon, Wis.	100	Lt. Str. & Hwy.
Shorthill, A. E.	Marshalltown, Ia.	5,000	Lt. Structural.
Shoemaker, Lewis & Co.	Pottstown, Pa.	10,000	Rwy.Str. & Hwy.
Silver Bros.I.Wks.	Salt Lake City.	1,000	Structural.

Skobis Bros.	Milwaukee, Wis.	3,600	Lt. Struct.
Smeeth Co.	Chicago, Ill.	5,000	Str. & Hwy.
Smith,G.W.& F.Ir.Co.	Roxbury, Mass.	5,000	Str. & Castings.
Smith & Lovett Co.	Boston, Mass.	1,200	Structural.
Smyser, Royer Co.	York, Pa.	600	Lt. Str. & Orn.
Snare & Triest Co.	New York City.	600	Str. & Beams.
Snead Arch.I.Wks.	Louisville, Ky.	2,600	Structural.
Snead & Co.Ir.Wks.	Jersey City, N. J.	2,400	"
So.Halsted St.Wks.	Chicago, Ill.	6,000	"
Southern Bridge Co.	Birmingham, Ala.	1,200	Hwy. & Lt. Str.
Southwestern Bridge & I. Co.	Enid, Ok.	400	Highway.
Springfield Bridge & I. Wks.	Springfield, Ill.	500	Lt. Str. & Hwy.
Spuck, J.Arch.I.Wks.	St. Louis, Mo.	2,400	Lt. Struct.
Standard Bridge Co.	Red Oak, La.	700	Highway.
Steel & Wike.	Dauphin, Pa.	1,000	Lt. Struct.
Sterling Iron Works.	Springfield,Mo.	2,500	Lt. Str. & Hwy.
Stevens I. Wks. & Fireproofing Co.	Cleveland, O.	1,000	Structural.
Stewart & Stevens I.Wks.	Philadelphia, Pa.	1,000	Lt. Struct.
St. Louis Arch.I.Co.	St. Louis, Mo.	400	" "
Stone City Steel Cons.Co.	Bedford, Ind.	500	Structural.

St. Paul Fdry.Co.	St. Paul, Minn.	18,000	Str. & Hwy.
Streeter, H. A.	Chicago, Ill.	500	Lt. Struct.
Stupp Bros.	St. Louis, Mo.	5,000	Lt. Str. & Hwy.
Sumner Iron Works.	Everett, Wash.	500	Lt. Struct.
Syracuse Bridge Co.	Syracuse, N. Y.	100	Structural.
Terry & Tench Co.	New York City	1,000	Structural.
Toepfer, Wm. & Sons.	Milwaukee, Wis.	300	Lt. Str. Hwy.
Toledo-Massillon Bridge Co.	Toledo, O.	15,000	Ry. Hwy. & Str.
Topeka Bridge & Ir. Wks.	Topeka, Kans.	400	" " "
Tower,J. H. & Co.	Providence, R.I.	1,500	Structural.
Union Iron Works.	Spokane, Wash.	100	Structural.
" " "	Los Angeles, Calif.	3,000	"
" " "	Hoboken, N. J.	1,200	Lt. Struct.
United Iron Works Co.	Springfield, Mo. Aurora, Mo. Icla, Kans. Pittsburg, Kans. Joplin, Mo. Cherryvale, Kans.	7,000	Structural.
Uris, Harris H.Iron Wks.	New York City.	500	Structural.
Union Iron & Fdry. Co.	St. Louis, Mo.	6,000	Lt. Str. & Hwy.

Union Fdry. Wks.	Chicago, Ill.	2,000	Lt. Str. & Hwy.
Vaile & Young.	Baltimore, Md.	2,500	Lt. Struct.
Valley Iron Works.	Williamsport, Pa.	100	Lt. Struct.
Van Dorn Iron Works.	Cleveland, O.	4,500	Str. & Hwy.
Variety Iron Works.	" "	5,000	Lt. Str. & Hwy.
Vierling & McDowell Co.	Chicago, Ill.	6,000	Structural.
Vincennes Bridge Co.	Vicennes, Ind.	1,500	Highway.
Virginia Bridge & Iron Co	Roanoke, Va.	24,000	Ry. Str. & Hwy.
" " " " "	Burlington, N. C.	6,000	Str. & Hwy.
" " " " "	Atlanta, Ga.	600	" "
Vogenthaler, E. C.	Duquesne, Ia.	900	Lt. Str. & Hwy.
Vulcan Iron & Steel Wks.	Milwaukee, Wisc.	500	Lt. Str. & Orn.
Wagner, Adolph F.	Milwaukee, Wis.	3,000	Lt. Struct.
Wausau Iron Works.	Wausau, Wisc.	1,000	" "
Wayne Iron Works.	Wayne, Pa.	800	Lt. Str. & Orn.
West Coast Wagon Works.	Tacoma, Wash.	300	Structural.
Western Iron & Fdry.Co.	Wichita, Kans.	400	Str. & Castings.
Western Iron Works.	Butte, Mont.	300	Lt. Str.
" " "	San Francisco.	5,000	" "
West Side Fdry. Co.	Troy, N. Y.	500	Beams.
W.Va. Bridge & Cons.Co.	Wheeling, W.Va.	2,500	N.J.Br.Co. Owners.

Whalecreek Iron Works.	Brooklyn, N. Y.	500	Lt. Str. & Bms.
Whitehead & Kales Co.	Detroit, Mich.	4,500	Structural.
Willamette Iron & St.Co.	Portland, Oreg.	500	Lt. Struct.
Wisconsin Bridge & Ir.Co.	Milwaukee, Wis.	15,000	R. R. Str. & Hwy.
Worden-Allen Co.	" "	12,000	Lt. Structural.
Wurtz & Son.	Buffalo, N. Y.	1,500	Structural.
Yale Safe & Iron Co.	New Haven, Conn.	300	Lt. Struct.
York Bridge Co.	York, Pa.	3,500	Hwy. & Lt. Str.
York Fdry. & Eng.Wks.	York, Neb.	500	Machine Castings.

TOTAL ANNUAL CAPACITIES

Competitors in Western Division	404,000	tons.
" in Central Division	450,600	"
" in Eastern Division	621,200	"
	1,475,800	"

DEFENDANTS EXHIBIT NO. 10.

May 24, 1912.

LIST OF COMPETITORS OPERATING SHOPS, May 15th, 1910.

NAME	LOCATION	ANNUAL CAPACITY IN NET TONS	CLASS OF WORK
Ahr, Henry Iron Works.	New York City.	500	Light structural.
Albree, Chester B.	Pittsburg, Pa.	1,200	" "
Alderhurst Iron Co.	New Haven, Conn.	200	Light struct. & Orn.
Alexandria Iron Works.	Alexandria, Va.	2,000	Light structural.
Archbold-Brady Co.	Syracuse, N.Y.	2,400	Struct. & Hwy.
Architectural Wire & Ir. Co.	Wheeling, W. Va.	600	Light structural.
Armourdale Fdry. Co.	Armourdale, Kan.	1,500	Structural.
Attica Bridge & Mch.Co.	Attica, Ind.	1,200	Highway.
Baker Iron Works.	Los Angeles, Cal.	4,000	Structural.
Baltimore Bridge Co.	Baltimore, Md.	20,000	Rwy., Struct. & Hwy.
Bancroft, Chas. P.	Philadelphia, Pa.	700	Light struct. & Orn.
Banner Iron Works.	St. Louis, Mo.	2,400	Struct. & Hwy.
Barber & Ross.	Washington, D. C.	6,000	Light structural.
Bayer, Chas. Co.	N. Y. City.	500	Structural.
Bayley Co., The Wm.	Springfield, O.	500	"

Bayley Struct.I.Co.	Milwaukee, Wis.	1,000	Structural.
Bedell Struct.St.& Fdry. Co.	New Orleans, La.	2,500	Struct. & Hwy.
Bellefontaine Bridge Co.	Bellefontaine, O.	2,000	" "
Belmont Iron Wks.	Philadelphia & Eddystone, Pa.	10,000	Rwy., Struct. & Hwy.
Berkeley Steel Co.	San Francisco, Cal.	1,000	Structural.
Berlin Cons. Co.	Berlin, Conn.	7,000	Lt. Rwy., Struct.& Hwy
Berry Fdry. & Mfg.Co.	St. Joseph, Mo.	800	Rwy. & Struct.
Bethlehem Fdry. & Mach Co.	Bethlehem, Pa.	400	Light structural.
Bethlehem Steel Co.	" "	12,000	Structural.
Biggin, Chas.P.Co.	Philadelphia, Pa.	500	Light struct & Orn.
Bogart & Carlough.	Paterson, N. J.	2,500	Light struct. & Hwy.
Bollinger, Andrews Co.	Pittsburg, Pa.	3,000	Light structural.
Bolter & Sons, A.	Chicago, Ill.	5,000	Light struct. & Hwy.
Boston Bridge Works.	Cambridge, Mass.	10,000	Rwy., Struct. & Hwy.
Bridgeport Boiler Works	Bridgeport, Conn.	100	Light structural.
Brode & Clark.	San Francisco, Cal.	500	Structural.
Brooks, T.H. & Co.	Cleveland, O.	7,500	"
Bros Boiler & Mfg. Co.	Minneapolis, Minn.	2,500	Light struct. & Hwy.
Browne, F.O.	Denver, Colo.	2,000	Structural.
Brown-Ketchum I.Wks.	Indianapolis, Ind.	12,000	"

Brown-Ketchum I. Wks.	Greensburgh, Pa.	12,000	Structural.
Buffalo Struct.St.Co.	Buffalo, N.Y.	12,000	R. R., Struct. & Hwy.
Burger Iron Co.	Akron, O.	2,000	Structural.
Caldwell & Drake.	Columbus, Ind.	1,500	Structural.
Cambria Steel Co.	Johnstown, Pa.	40,000	"
Canton Bridge Co.	Canton, O.	5,000	Light struct. & Hwy.
Capital Iron Works.	Topeka, Kan.	1,500	Light structural.
Carnegie Steel Co.	Waverly, N. J.	5,000	Structural.
Carolina Eng. Co.	Burlington, N.C.	3,000	Struct. & Hwy.
Central Iron Works.	San Francisco, Cal.	1,000	Structural.
Central Iron Works.	Quincy, Ill.	1,000	Light structural.
Central States Bridge Co.	Indianapolis, Ind.	5,000	R. R., Struct. & Hwy.
Champion Bridge Co.	Wilmington, O.	1,000	Highway.
Champion Iron Co.	Kenton, O.	2,000	Light structural.
Chelmsford Foundry Co.	Cambridge, Mass.	3,000	Light struct. & Orn.
Chesapeake Iron Works.	Baltimore, Md.	6,000	Light structural.
Chicago Bridge & Ir.Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Chickasaw Iron Works.	Memphis, Tenn.	2,400	Light structural.
Christopher & Simpson.	St. Louis, Mo.	5,000	Structural.
Clarke & Stowe.	N. Y. City.	5,000	Light structural.
Clinton Bridge & Ir.Wks.	Clinton, Ia.	5,000	Struct. & Hwy.
Clopp, Geo. B.	Philadelphia, Pa.	700	Light structural.

Clyde Iron Works.	Duluth, Minn.	7,500	Structural.
Cody, J.J.	Brooklyn, N.Y.	500	Light structural.
Colnick Mfg. Co.	Milwaukee, Wis.	1,000	" "
Columbia Iron Works.	Cincinnati, O.	500	" "
Columbus Struct.St.Co.	Columbus, O.	1,500	Structural.
Continental Bridge Co.	Peotone, Ill.	3,600	Struct. Rwy. & Hwy.
Converse Bridge Co.	Chattanooga, Tenn.	4,000	Struct. & Hwy.
Cornell, J.B. & J.M.	New York city.	30,000	Structural.
Covington Arch. I. Wks.	Covington, Ky.	300	"
Cowing, J.P. & Co.	Cleveland, O.	3,000	Struct. & Hwy.
Crown Iron Works.	Minneapolis, Minn.	4,000	Light Struct. & Orn.
Darbyshire-Harvis Ir. & Mach. Co.	El Paso, Tex.	1,000	Structural.
Dauchy Iron Works.	Chicago, Ill.	500	"
Davies, John J. Co.	Philadelphia, Pa.	1,800	Light structural.
Davenport Fdry.& Mach.Co.	Davenport, Ia.	500	Light struct. & Hwy.
Dearborn Fdry. Co.	Chicago, Ill.	3,000	" " "
Decatur Bridge Co.	Decatur, Ill.	2,400	Struct. Rwy. & Hwy.
DeCou, Richard.	Philadelphia, Pa.	1,200	Light structural.
" "	Des Moines, Ia.	15,000	R. R., Struct. & Hwy.
Dietrich Bros.	Baltimore, Md.	15,000	Structural.

Dildine Bridge & Cons.Co.	Cameron, Mo.	1,500	Struct. & Hwy.
Dimond, Thomas.	New York City.	600	Structural.
Donovan Wire & Iron Co.	Toledo, O.	2,000	"
Dornfeld & Kunert Mfg.Co.	Watertown, Wis.	3,000	Light struct. & Hwy.
Dover Boiler Works.	Dover, N.J.	3,500	Struct. & Hwy.
Duffin Iron Works.	Chicago, Ill.	2,500	Light structural.
Dugro, Philip's Sons.	Brooklyn, N. Y.	500	Struct. & Orn.
Dyer Bros.	San Francisco.	10,000	Structural.
Eagle Iron Works.	Brooklyn, N. Y.	1,500	Light struct. & Orn.
Eastern Bridge & Struct. Co.	Worcester, Mass.	6,000	Struct. & Orn.
Eastern Steel Co.	Pottsville, Pa.	8,000	R. R., Struct. & Hwy.
EauClaire Cornice & Heat. Co.	Eau Claire, Wis.	500	Light structural.
Eichleay, John Jr.& Co.	Pittsburg, Pa.	6,000	" "
Elkhart Bridge Co.	Elkhart, Ind.	1,000	Highway.
El Paso Fdry.& Mach.Co.	El Paso, Tex.	1,000	Structural.
Elwell, H. F.	Springfield, Mass.	150	Light struct. & Orn.
Enterprise Iron Works.	Albert Lea, Minn.	50	Light Structural.
Ernest's C. F., Sons.	Buffalo, N. Y.	10,000	Structural.
Fagan Iron Works.	Hoboken, N. J.	4,500	Light struct. & Hwy.

Fair-Williams Bdge. & Mach. Co.	Ottumwa, Ia.	900	Highway.
Felgenhauer's Sons Co.	Brooklyn, N. Y.	1,000	Struct. & Orn.
Fletcher & Crowell.	Portland, Me.	1,500	Structural.
Fluegel, Anton.	Brooklyn, N. Y.	1,500	Struct. & Orn.
Forest City St. & Iron Co.	Cleveland, O.	6,000	Struct. & Hwy.
Fort Pitt Bridge Co.	Cannonsburg, Pa.	18,000	R. R., Struct. & Hwy.
Fox, Charles H.	New York City.	500	Light struct. & Orn.
Friberg Iron Works.	Brooklyn, N. Y.	200	Structural.
Funk, M. Boiler Works.	LaCrosse, Wis.	1,000	Light structural.
Gerst Bros. Mfg.Co.	St. Louis, Mo.	800	Light structural.
Glencoe Fdry.Co.	Glencoe, Minn.	100	Struct. & Hwy.
Goeller Iron Works.	Newark, N. J.	2,500	Light struct. & Hwy.
Golden Gate Struct. I.Wks	San Francisco.	500	Light structural.
Grainger & Co.	Louisville, Ky.	6,000	Struct. & Hwy.
Griffiths Iron Works.	St. Louis, Mo.	1,800	Structural.
Groton Bridge Co.	Groton, N. Y.	2,500	Highway.
Guerber Eng. Co.	Bethlehem, Pa.	2,500	Structural.
Hackendahl & Schmidt.	Milwaukee, Wis.	1,000	Light structural.

Hackworthy Cons. Co.	Appleton, Wis.	2,000	Light struct. & Hwy.
Hafers, Chris. Iron Co.	New York City.	500	Light struct. & Orn.
Halsted, Jos.	Chicago, Ill.	500	Light structural.
Hamill Iron Works.	Jersey City, N. J.	500	Light struct. & Orn.
Hansel-Elcock Co.	Chicago, Ill.	12,000	Struct. & Hwy.
Happe, Adam.	New York City.	1,000	Struct. & Orn.
Harrower, H.C.Co.	Buffalo, N. Y.	1,500	Structural.
Hartman, Nelson & Zapfe.	Green Bay, Wis.	500	Light struct. & Hwy.
Hassel Iron Works Co.	Colo. Springs, Colo.	300	Light struct. & Orn.
Hathorn Fdry.& Mach.Co.	Mason City, Ia.	1,200	Light structural.
Hay Foundry & Iron Works.	Newark, N. J.	25,000	Structural.
Hedden Iron Cons.Co.	Newark, N. J.	2,200	Struct. & Orn.
Hennepin Bridge Co.	Minneapolis, Minn.	250	Light struct. & Hwy.
Herzog Iron Works.	St. Paul, Minn.	1,000	Light structural.
Hetherington & Berner.	Indianapolis, Ind.	1,500	Structural.
Heyl & Patterson,Inc.	Pittsburg, Pa.	3,000	"
Hinkle Iron Co.	New York City.	6,000	Struct. & Orn.
Hitner, Henry A. Sons.	Philadelphia, Pa.	800	Structural.
Hoff, Herman J.	Brooklyn, N. Y.	400	Light struct. & Orn.
Hofius Steel & Equip.Co.	Seattle, Wash.	600	Light struct. & Hwy.
Holmes, Pyott, & Co.	Chicago, Ill.	3,000	" " "
Horn, Struct.Iron Works.	"	3,000	" " "
Horseheads Cons. Co.	Horseheads, N. Y.	250	" " "

Houston Str. St. Co.	Houston, Tex.	1,000	Light structural.
Hub City Iron Works	Aberdeen, N. D.	1,000	Structural.
Hudson Struct. St. Co.	New York City.	1,200	Struct. & Orn.
Illinois Bridge & I. Co.	Sullivan, Ill.	1,500	Highway.
Illinois Steel Bdge. Co.	Jacksonville, Ill.	2,500	Light struct. & Hwy.
*Illinois Steel Co. North Works.	Chicago, Ill.	16,000	Structural.
Iowa Bridge Co.	Des Moines, Ia.	6,000	Struct. & Hwy.
Independent Bridge Co.	Pittsburg, Pa.	3,000	Light structural.
Indiana Bridge Co.	Muncie, Ind.	5,000	R.R., Struct. & Hwy.
Insley Iron Works.	Indianapolis, Ind.	400	Structural.
Interstate Eng. Co.	Cleveland, O.	5,000	Light struct. & Hwy.
Irving Iron Works	Long Island City.	2,000	Struct. & Orn.
Jackson, G.W., Inc.	Chicago, Ill.	12,000	R.R., Struct. & Hwy.
Jackson-Richter Iron Works.	Denver, Colo.	600	Struct. & Orn.
Jardine, John. R.	Fargo, N.D.	100	Light struct. & Hwy.
Jeffrey, Daniel	Jeanerette, La.	400	Light struct. & Hwy.
Jennet Bdge.& Iron Works.	Chicago, Ill.	600	Rwy., Struct. & Hwy.
Joliet Bridge & Iron Co.	Joliet, Ill.	3,600	Light struct. & Hwy.
Jones & Laughlins Steel Co	Pittsburg, Pa.	50,000	R.R., Struct. & Hwy.
Judson Mfg. Co.	San Francisco, Cal.	5,000	Structural.

Just, Geo. A. Co.	Long Island City.	1,200	Structural.
Kansas City Bridge Co.	Kansas City, Mo.	300	Highway.
Kansas City Struct.St.Co.	Argentine, Kan.	12,000	Structural.
Kaw Boiler Works.	Kansas City, Mo.	300	"
Kaysing Iron & Fdry.Co.	St. Louis, Mo.	1,800	Light structural.
Kellogg, Geo.Struct.Co.	Buffalo, N. Y.	3,000	Structural.
Kenwood Bridge Co.	Chicago, Ill.	6,000	R. R., Struct. & Hwy.
Keystone Struct. Co.	Philadelphia, Pa.	4,000	Rwy., Struct. & Hwy.
King Bridge Co.	Cleveland, O.	20,000	" " "
King,Geo.E.Bridge Co.	Des Moines, Ia.	2,500	Highway.
Kratzer, W.N. & Co.	Pittsburg, Pa.	6,000	Structural.
Kreatz, F. E.	St. Cloud, Minn.	50	Light structural.
Krenz, F. M.	Stockton, Cal.	500	" "
Lackawanna Bridge Co.	Buffalo, N. Y.	40,000	Structural.
LaCrosse Steel Roofing & Corrugated Co.	La Crosse, Wis.	600	R. R., struct. & Hwy.
LaFayette Eng.Co.	LaFayett , Ind.	1,500	Struct. & Hwy.
Lane Bridge Co.	Painted Post, N.Y.	1,000	" "
Lauer & Harper.	Baltimore, Md.	6,000	R. R., Struct. & Hwy.
Lehigh Valley Struct. St. Co.	Allentown, Pa.	12,000	Struct. R. R. & Hwy.

Lenox Iron Works.	New York City.	1,000	Struct. & Orn.
Levering & Garrigues.	"	18,000	Structural.
Lewinson & Co.	"	1,000	"
Lewis, H. B. & Co.	Detroit, Mich.	1,000	Light structural.
Liberty Iron Works.	New York City.	500	Struct. & Orn.
Llewellyn Iron Works.	Los Angeles, Cal.	10,000	Structural.
Louisville Bdge.& Ir.Co.	Louisville, Ky.	8,000	R. R. & Struct.
Love Brothers.	Aurora, Ill.	600	Structural.
Lowe, Geo. A.	Ogden, Utah.	1,000	"
Lowith Brothers.	Denver, Colo.	300	"
Lucas, A. & Sons.	Peoria, Ill.	3,000	Light structural.
Lukens Iron & St.Co.	New Orleans, La.	2,000	" "
Lyon, Wm. E. Iron Co.	New York City.	1,000	Struct. & Orn.
Marquette & Ormund.	Rochester, Minn.	50	Highway.
Massillon Bridge & Str. St. Co.	Massillon, O.	4,000	R. R., Struct. & Hwy.
McClintic-Marshall Cons. Co.	Carnegie, Pa.	12,000	Struct. & Hwy.
" " "	Pittsburg, Pa.	84,000	R. R., Struct. & Hwy.
" " "	Pottstown, Pa.	30,000	" " "
McDougall & Potter.	New York City.	1,000	Structural.
McKinney, Jas. Sons.	Albany, N. Y.	500	Struct. & Orn.

McMurray & Bro. R. T.	Brooklyn, N. Y.	2,500	Struct. & Orn.
Mechanics Iron Works.	St. Louis, Mo.	500	Light structural.
Megquier & Jones.	Portland, Me.	4,000	Structural.
Memphis Bridge Co.	Memphis, Tenn.	6,000	Light struct. & Hwy.
Merritt & Co.	Philadelphia, Pa.	700	Struct. & Orn.
Mesker & Bros.	St. Louis, Mo.	600	Light structural.
Mesker & Co.	Evansville, Ind.	1,000	Structural.
Metropolitan Bridge Co.	Jersey City, N.J.	12,000	"
Meyer Bros.	Mankato, Minn.	100	Light struct. & Hwy.
Midland Bridge Co.	Kansas City, Mo.	300	Highway.
Milliken Bros.	Staten Island, N.Y.	36,000	R. R., Struct. & Hwy.
Milmine, H. B. & Co.	Toledo, O.	500	Structural.
Milwaukee Bridge Co.	Milwaukee, Wis.	10,000	R. R., Struct. & Hwy.
Minneapolis Steel & Mch. Co.	Minneapolis, Minn.	25,000	" " "
Missouri Bridge & I. Co.	East St.Louis,Ill.	1,000	Light struct. & Hwy.
Missouri Valley Bridge & I. Co.	Leavenworth.	1,000	" " "
Modern Struct. St.Co.	Waukesha, Wis.	10,000	R. R., Struct. & Hwy.
Montana Iron Works.	Butte, Mont.	250	Structural.
Montour Steel Co.	Montour Falls, N. Y.	1,200	Light struct. & Hwy.
Moore Bros. Foundry.	Wichita, Kan.	600	Light structural.
Moran Company.	Seattle, Wash.	300	Struct. & Hwy.

Morava Cons.Co.	Chicago, Ill.	15,000	R. R., Struct. & Hwy.
Moresi Fdry.& Mach.Co.	Jeanerette, La.	400	Light structural.
Morris, C. E. & Co.	Columbus, O.	2,500	Structural.
Mortensen Cons.Co.	San Francisco.	1,000	Light structural.
Mosher Mfg.Co.	Dallas, Tex.	2,700	" "
Mound City Iron Works.	St. Louis, Mo.	500	" "
Mt. Vernon Bridge Co.	Mt. Vernon,O.	8,000	R. R., Struct. & Hwy.
National Bridge Works.	New York City.	6,000	Structural.
National Iron Works.	Duluth, Minn.	2,500	Light structural.
" "	Spokane, Wash.	300	" "
National Wire & Iron Co.	Cleveland, O.	4,000	Structural.
New England Bolt & Struct. Co.	Everett, Mass.	1,000	Light struct. & Orn.
New England Struct.Co.	" "	24,000	R. R., Struct. & Hwy.
New Prague Foundry Co.	New Prague, Minn.	300	Struct. & Hwy.
Noelke-Richards I.Wks.	Indianapolis, Ind.	5,000	Structural.
Northern Boiler & Struct. I. Wks.	Appleton, Wis.	500	Light struct. & Hwy.
Northwest Bdge.& Cons.Co.	St. Cloud, Minn.	150	Struct. & Highway.
Northwestern Fdry.Co.	Minneapolis, Minn.	6,000	" "
Northwest Steel Works.	Portland, Ore.	6,000	" "
Norton, Alfred Co.	Boonton, N. J.	5,000	" "

Oklahoma Fdry.& Mach.Shop	Okla.City, Okla.	200	Structural.
Omaha Struct.St. Works.	Omaha, Neb.	300	Highway.
Oregonia Bridge Co.	Oregonia, O.	800	"
Ottumwa Bridge & Iron Co.	Ottumwa, Ia.	3,500	Struct. & Hwy.
Owego Bridge Co.	Owego, N. Y.	5,000	Highway.
Pacific Iron Works.	Portland, Ore.	1,200	Struct. & Hwy.
Pacific Rolling Mill Co.	San Francisco.	8,000	Structural.
Pacific Struct. I. Works.	"	500	Light structural.
Palm, Chas. A.	Sacramento, Cal.	500	" "
Pan-American Bridge Co.	New Castle, Ind.	2,000	Struct. & Hwy.
Passaic Steel Co.	Paterson, N. J.	18,000	R. R., Struct. & Hwy.
Pa xton & Vierling Iron Works.	Omaha, Nebr.	9,000	Structural.
Pearson, S.P. & Co.	New York City.	600	"
Penn Bridge Co.	Beaver Falls, Pa.	12,000	R. R., Struct. & Hwy.
"	Claysville, Pa.	3,000	Struct. & Hwy.
Pennsylvania Steel Co.	Philadelphia, Pa.	85,000	R. R., Struct. & Hwy.
Phoenix Bridge Co.	"	35,000	" " "
Pierson & Goodrich.	New York City.	2,500	Struct. & Orn.
Pirkl Iron Works, J.	Brooklyn, N. Y.	5,000	" "
Pittsburg Bridge & I.Co.	Rochester, Pa.	4,800	Struct. & Hwy.
Pollock, Wm. B.& Co.	Youngstown, O.	1,200	Structural.

Popple & Son.	Brooklyn, N. Y.	500	Struct. & Orn.
Portage Iron Works.	Portage, Wis.	100	Light struct.
Potthoff, W. F. Co.	Cincinnati, O.	3,500	Structural.
Presteem, Peter.	Nero, Wis.	100	Light structural.
Prince Iron Works.	New York City.	800	Structural.
Providence Struct.I.Co.	Providence, R. I.	1,500	Struct. & Orn.
Provo Fdry.& Mach.Co.	Provo, Utah.	500	Light struct.
Quackenbusch, Jno. M.	Webster City, Ia.	75	Light struct. & Hwy.
Queen City Iron & Wire Wks.	Denver, Colo.	300	Structural.
Rapp Iron Works.	N. Y. City.	500	Structural.
Radley Steel Cons.Co.	"	2,000	Struct. & Orn.
Ralston Iron Works.	San Francisco.	5,000	Structural.
Ravitch Bros.	Long Island City.	6,000	"
Red Oak Bridge & Iron Wks.	Red Oak. Ia.	700	Highway.
Remppis, Wm. F. Co.	Reading, Pa.	600	Light struct. & Orn.
Republic Struct.I.Wks.	Cleveland, O.	2,000	Light structural.
Reynolds, E.P.Co.	New York City.	500	Struct. & Orn.
Richmond Pattern & Struct. I. Wks.	Richmond, Va.	3,000	Structural.
Rieseck, Peter.	Pittsburg, Pa.	500	Light struct. & Orn.

Riter-Conley Mfg.Co.	Pittsburg, Pa.	15,000	R. R. & Struct.
Riverside Bridge Co.	Wheeling, W. Va.	8,400	R. R., Struct. & Hwy.
Rochester Bridge Co.	Rochester, Ind.	800	Light struct. & Hway.
Ross & Sisti.	N. Y. City.	500	Light struct. & Orn.
Russell Wheel & Foundry Co.	Detroit, Mich.	8,000	Structural.
Ryerson & Son.	Chicago, Ill.	10,000	"
Sandblom Iron Works.	Brooklyn, N. Y.	2,000	"
Salt Lake Eng.Works.	Salt Lake City.	300	"
Scaar, Frank & Co.	Chicago, Ill.	1,000	Light structural.
Scaife, Wm.B.& Sons Co.	Pittsburg, Pa.	6,000	" "
Scherbner, Paul, Jr.	New York City.	1,000	Structural.
Schreiber, L. & Sons Co.	Cincinnati, O.	5,000	"
Schneider & Sons.	Washington, D. C.	6,000	"
Schrader Iron Works.	San Francisco, Cal.	1,000	Light structural.
Schurk Iron Works.	St. Louis, Mo.	700	" "
Seavers Mfg. Co.	Oskaloosa, Ia.	600	" "
Sherwin & Sons, E. C.	Brendon, Wis.	100	Light struct. & Hwy.
Shoemaker, Lewis & Co.	Philadelphia, Pa.	8,000	" " "
Shorhill, A. E.	Marshalltown, Ia.	5,000	Light structural.
Silver Bros.Iron Works.	Salt Lake City, Utah.	2,500	Structural.
Silver, H.A.Fdry. & Mach. Co.	" " "	500	"

[illegible] Iron.	Milwaukee, Wis.	3,000	Light structural.
[illegible] Iron Co. [illegible]	Roxbury, Mass.	5,000	Struct. & Orn.
[illegible] Co.	Philadelphia, Pa.	500	Light struct. & Orn.
[illegible] & Schmidt.	Jersey City, N. J.	2,000	Structural.
[illegible] [illegible] Iron Works.	Louisville, Ky.	2,000	"
[illegible] Bridge Co.	Birmingham, Ala.	1,000	Light struct. & Hwy.
[illegible] [illegible] Co.	Springfield, Ill.	12,000	Structural.
Springfield Bridge & [illegible] Co.	Springfield, Ill.	500	Light struct. & Hwy.
[illegible] Iron & Bldg. Co.	St. Louis, Mo.	4,000	Structural.
[illegible] & Co.	Philadelphia, Pa.	500	Light structural.
[illegible] Iron Works.	Springfield, Mo.	2,500	Light struct. & Hwy.
[illegible] Iron Works & Waterproofing Co.	Cleveland, O.	500	Structural.
St. Louis [illegible] Works.	St. Louis, Mo.	2,000	"
[illegible] City Steel Form Co.	Bedford, Ind.	500	"
St. Paul Foundry Co.	St. Paul, Minn.	10,000	Struct. & Hwy.
[illegible] & [illegible] Co.	Philadelphia, Pa.	600	Light structural.
[illegible] Iron Works.	St. Louis, Mo.	1,000	Struct. & Hwy.
[illegible] Iron Works.	Detroit, Mich.	500	" "
[illegible] Bridge Co.	Syracuse, N. Y.	200	Structural.
[illegible] & Sons.	Pittsburg, Pa.	500	Light structural.

[illegible] & Smith Co.	New York City.	1,000	Structural.
[illegible] Bridge Mfg. Co.	Little Rock, Ark.	2,400	"
Riggs & Hood.	Phillipsburg, N.J.	1,000	Light struct. & Hwy.
[illegible], Wm. & Sons.	Wilmington, Ill.	500	" " "
[illegible]-Hamilton Bridge Co.	Toledo, O.	15,000	R. R., Struct. & Hwy.
[illegible] Bridge & Iron Works.	Topeka, Kan.	400	Highway & Struct.
[illegible], Jos. H.	Providence, R. I.	2,000	Light struct. & Orn.
[illegible] Iron Works.	Los Angeles, Cal.	3,000	Structural.
[illegible] Iron Works.	Spokane, Wash.	600	"
[illegible] Iron Works Co.	Cincinnati, O.	2,500	"
[illegible] Iron & Foundry Co.	St. Louis, Mo.	1,000	"
[illegible] Foundry Co.	Chicago, Ill.	4,000	Light struct. & Hwy.
[illegible] Iron Works Co.	Springfield, Mo.		
	Aurora, Mo.		
	Yale, Kan.	7,000	Structural.
	Pittsburg, Kan.		
	Joplin, Mo.		
	Cherryvale, Kan.		
[illegible], Harrold & Iron Wks.	N. Y. City.	1,500	Struct. & Orn.
Valley Iron Works.	Williamsport, Pa.	100	Structural.

[illegible] Iron Works Co.	Cleveland, O.	7,000	Struct. & Hwy.
[illegible] Iron Works.	"	3,000	Light struct. & Hwy.
[illegible] Iron Works.	St. Louis, Mo.	800	Light structural.
[illegible] & Holcomb Co.	Chicago, Ill.	4,000	Structural.
[illegible] Works Co.	Pittsburg, Pa.	500	Light struct. & Orn.
[illegible] Bridge Co.	Vincennes, Ind.	3,000	Struct. & Hwy.
[illegible] Bridge & Iron Co.	Atlanta, Ga.	2,400	" "
" " "	Memphis, Tenn.	4,000	Hwy. Struct. & Hwy.
" " "	Roanoke, Va.	20,000	Structural.
[illegible], S. C.	Dubuque, Ia.	900	Light struct. & Hwy.
[illegible] Iron Works.	Seattle, Wash.	500	Light structural.
" " "	Milwaukee, Wis.	1,500	Light struct. & Orn.
[illegible], Adolph P.	Milwaukee, Wis.	3,000	Light struct.
[illegible] Iron Works.	Racine, Wis.	1,000	" "
[illegible] Iron Works.	Philadelphia, Pa.	300	Structural.
[illegible] Iron Wagon Works.	Tacoma, Wash.	300	"
[illegible] Iron & Pipe Co.	Wichita, Kan.	400	"
[illegible] Iron Works.	San Francisco.	3,000	Light structural.
[illegible] Iron Works.	Butte, Mont.	500	" "
[illegible] Tube Mill Co.	Troy, N. Y.	500	Structural.
[illegible] Co. Bridge & Iron Co.	Wheeling, W. Va.	2,500	W.J.Bridge Co. Owners.
[illegible] Iron Works.	Brooklyn, N. Y.	500	Structural.

Whitehead & Kales Co.	Detroit, Mich.	4,500	Structural.
Willamette Iron & St.Co.	Portland, Ore.	500	Light structural.
Wisconsin Bridge Co.	Wausau, Ind.	600	Structural.
Wisconsin Bridge & I.Co.	Milwaukee, Wis.	15,000	R. R., Struct. & Hwy.
Worthington Co.	" "	15,000	Light structural.
Wurts & Son.	Buffalo, N. Y.	1,500	Structural.
Yale Siefe & Iron Co.	New Haven, Conn.	300	Light struct. & Orn.
York Bridge Co.	York, Pa.	3,000	" " & Hwy.
Youngstown Wire & Iron Co.	Youngstown, O.	1,000	" " " Orn.

TOTAL ANNUAL CAPACITY.

Competitors in Eastern Division	598,250	net tons.
" " Central "	574,150	" "
" " Western "	506,675	" "
	1,679,075	" "

*Bllelmating	Carnegie Steel Co.	5,000	
"	Illinois Steel Co.Ft.Wm.	16,000	21,000
			1,658,075

DEFENDANTS' EXHIBIT NO. 11.
May 24, 1912.

APPENDIX "A"

COMPETITORS OPERATING SHOPS.

American Bridge Company of New York, May 15th, 1911.

NAME	LOCATION	ANNUAL CAPACITY IN NET TONS	CLASS OF WORK
Abrams Iron Wks.Co.	Cincinnati, O.	2,500	Struct & Orn.
Abt, Henry, Iron Wks.	New York City.	500	Light structural.
Albree, Chester B.	Pittsburgh, Pa.	1,200	" "
Aldershuret Iron Co.	New Haven, Conn.	500	" " & Orn.
Alexandria Iron Works.	Alexandria, Va.	2,000	" "
Alexander Iron Works.	Washington, D. C.	5,000	Structural.
Archbold Brady Co.	Syracuse, N. Y.	2,400	Struct. & Highway.
Architectural Wire & Ir. Co.	Wheeling, W. Va.	600	Light structural.
Armourdale Fdry.Co.	Armourdale, Kansas.	1,500	Structural.
Attica Bridge & Mch.Co.	Attica, Ind.	1,200	Highway.
Baker Iron Wks.	Los Angeles, Calif.	4,000	Structural.
Baltimore Bridge Co.	Baltimore, Md.	20,000	Rwy. Str. Hwy.

Bancroft, Chas.P.	Philadelphia, Pa.	700	Light Struct. & Orn.
Banner Iron Works.	St. Louis, Mo.	2,400	Struct. & Hwy.
Barber & Doan.	Washington, D. C.	6,000	Light struct.
Bayer, Chas. Co.	New York City.	500	Structural.
Bayley Co. The Wm.	Springfield, O.	500	"
Bayley Struct.Ir.Co.	Milwaukee, Wis.	1,000	"
Bellefontaine Bdge. Co.	Bellefontaine, O.	2,000	"
Belmont Iron Works.	Phila.& Eddystone,	10,000	Rwy. Struct. Hwy.
Berkeley Steel Co.	San Francisco, Cal.	1,000	Structural.
Berlin Const.Co.	Berlin, Conn.	7,000	Lt.Ry.Str. & Hwy.
Berry Bdry. & Mfg.Co.	St. Joseph, Mo.	800	Rwy. & Struct.
Bethlehem Fdry.& Mch.Co.	Bethlehem, Pa.	400	Light struct.
Bethlehem Steel Co.	Bethlehem, Pa.	12,000	Structural.
Bicketh, J.	Brooklyn, N. Y.	400	Light Struct. & Orn.
Biggin, Chas. P. Co.	Phila. Pa.	500	Light Struct. & Orn.
Bogart & Carlough.	Paterson, N. J.	2,500	Light Struct. & Hwy.
Bollinger-Andrews Co.	Pittsburg, Pa.	6,000	Structural.
Bolter & Sons. A.	Chicago, Ill.	5,000	Lt. Struct. & Hwy.
Boston Bridge Works.	Cambridge, Mass.	10,000	Rwy. Struct. Hwy.
Bridgeport Boiler Wks.	Bridgeport, Conn.	100	Light Struct.
Brode & Clark.	San Francisco, Calif.	500	Structural.
Brooks, T. H. & Co.	Cleveland, O.	7,500	"
Bros Boiler & Mfg.Co.	Minneapolis, Minn.	2,500	Lt. Struct. & Hwy.

Browne, F. O.	Denver, Colo.	2,000	Structural.
Brown-Ketchum Ir.Wks.	Indianapolis, Ind.	12,000	" & Orn.
" "	Greensburg, Pa.	19,000	"
Buffalo Struct.St.Co.	Buffalo, N. Y.	10,000	R. R., Struct. & Hwy.
Burger Iron Co.	Akron, O.	4,000	Structural.
Caldwell & Drake.	Columbus, Ind.	1,500	"
Cambria Steel Co.	Johnstown, Pa.	20,000	" & Hwy.
Canton Bridge Co.	Canton, O.	6,000	Lt. Struct. & Hwy.
Capitol Iron Works.	Topeka, Kansas.	1,500	Light Struct.
Carnegie Steel Co.	Waverly, N. J.	5,000	Structural.
Carolina Eng.Co.	Burlington, N. C.	3,000	Struct. & Hwy.
Central Iron Works.	San Francisco, Cal.	1,000	Structural.
Central Iron Works.	Quincy, Ill.	1,000	Light Struct.
Central States Bridge Co.	Indianapolis, Ind.	5,000	R. R. Struct. & Hwy.
Champion Bridge Co.	Wilmington, O.	1,000	Highway.
Champion Iron Co.	Kenton, O.	3,000	Light Struct.
Chelmsford Fdry. Co.	Cambridge, Mass.	3,000	Light Struct. & Orn.
Chesapeake Iron Wks.	Baltimore, Md.	6,000	Light Struct.
Chicago Bridge & Ir.Co.	Chicago, Ill.	15,000	R. R. Struct. & Hwy.
Chicasaw Iron Works.	Memphis, Tenn.	2,400	Light Struct.
Christopher & Simpson.	St. Louis, Mo.	5,000	Structural.

Clarke & Stowe.	New York City.	5,000	Lt. Struct.
Clinton Br.& Ir.Wks.	Clinton, Ia.	5,000	Struct. & Hwy.
Clopp, Geo. B.	Philadelphia, Pa.	700	Lt. Struct.
Clyde Iron Wks.	Duluth, Minn.	7,500	Structural.
Colnick Mfg.Co.	Milwaukee, Wis.	1,000	Light Struct.
Columbia Iron Works.	Cincinnati, O.	500	" "
Columbia Struct.St.Co.	Columbus, O.	1,500	Structural.
Continental Bridge Co.	Pectone, Ill.	3,600	Struct. & Hwy.
Converse Bridge Co.	Chattanooga,Tenn.	4,000	" " "
Cornell,J.B. & J.M.	New York City.	30,000	Str.Closed in Recvrs. Hnds.
Covington Arch.Ir.Wks.	Covington, Ky.	300	Struct.
Crown Iron Works.	Minneapolis,Minn.	6,000	Lt. Struct. & Orn.
Darbyshire-Harvis I. & Mch. Wks.	El Paso, Texas.	1,000	Structural.
Dauchy Iron Works.	Chicago, Ill.	500	Light Struct.
Davies, John J. Co.	Philadelphia,Pa.	1,800	" "
Davenport Fdry.& Mch.Co.	Davenport, Ia.	500	" " & Hwy.
Dearborn Fdry. Co.	Chicago, Ill.	3,000	" " " "
Decatur Bridge Co.	Decatur, Ill.	8,000	" Rwy. & Hwy.
DeCou, Richard.	Phila., Pa.	1,200	" Struct.
Des Moines Bridge & I.Co.	Des Moines, Ia.	15,000	R. R. Str. & Hwy.

Des Moines Bridge & I.Co.	Pittsburg, Pa.	3,000	Structural.
Detroit Bridge & St.Wks.	Detroit, Mch.	12,000	Rwy.Struct. & Hwy.
Dietrich Bros.	Baltimore, Md.	15,000	" "
Dildine Bridge & Cons.Co.	Cameron, Maine.	1,500	Struct. & Rwy.
Dimond, Thos.	New York City.	600	Structural.
Donovan Wire & Iron Co.	Toledo, Ohio.	2,000	"
Dornfeld & Kunert Mfg.Co.	Watertown, Wis.	3,000	Light Struct. & Hwy.
Dover Boiler Wks.	Dover, N. J.	3,500	Struct. & Hwy.
Duffin Iron Works.	Chicago, Ill.	1,200	Structural.
Dyer Brothers.	San Francisco.	10,000	"
Dugro, Philip.	Brooklyn, N. Y.	500	Struct. & Orn.
Eagle Iron Works.	Brooklyn, N. Y.	1,500	Light Struct. & Orn.
Eastern Bridge & Str.Co.	Worcester, Mass.	6,000	Struct. & Orn.
Eastern Steel Co.	Pottsville, Pa.	8,000	R. R. Struct. & Hwy.
Eau Claire Cornice & Heat Co.	Eau Claire, Wis.	500	Light Struct.
Eichleay, John Jr.& Co.	Pittsburg, Pa.	10,000	" " & Hwy.
Elkhart Bridge Co.	Elkhart, Ind.	2,500	Highway.
El Paso Fdry. & Mch.Co.	El Paso, Tex.	1,000	Structural.
Elwell, H. F.	Springfield, Mass.	150	Lt. Struct. & Orn.
Enterprise Iron Wks.	Albert Lea, Minn.	50	" "
Ernst's C. F. Sons.	Buffalo, N. Y.	4,000	Structural.

Fagan Iron Works.	Hoboken, N. J.	4,500	Light Struct. & Hwy.
Fair-Williams Br. & Mch. Co.	Ottumna, Ia.	900	Highway.
Felgenhauer's Sons Co.	Brooklyn, N. Y.	1,000	Struct. & Orn.
Fletcher & Crowell.	Portland, Me.	1,500	Structural.
Fluegel, Anton.	Brooklyn, N. Y.	1,500	Struct. & Orn.
Forest City Steel & I.Co.	Cleveland, O.	6,000	Struct. & Hwy.
Fort Pitt Bridge Co.	Cannonsburg, Pa.	24,000	R. R. Struct. & Hwy.
Fox, Charles H.	N. Y. City.	500	Light Struct. & Orn.
Friberg Iron Works.	Brooklyn, N. Y.	200	Structural.
Funk, M. Boiler, Works.	La Crosse, Wis.	1,000	Light Structural.
Gage Struct.Steel Wks.	Chicago, Ill.	4,000	Struct. & Orn.
Garden City Iron Works.	" "	600	Structural.
Gerst Brothers Mfg.Co.	St. Louis, Mo.	800	Light Structural.
Glencoe Fdry. Co.	Glencoe, Minn.	100	Struct. & Hwy.
Goeller Iron Works.	Newark, N. J.	2,500	Light Struct. & Hwy.
Golden Gate Struct.Ir. Wks.	San Francisco, Calif.	500	" "
Golden Klein Ir.Wks.	New York City.	500	" "
Grainger & Co.	Louisville, Ky.	6,000	Struct. & Hwy.
Griffiths Iron Wks.	St. Louis, Mo.	1,800	Structural.
Groton Bridge Co.	Groton, N. Y.	2,500	Highway.

Guerber Eng.Co.	Bethlehem, Pa.	2,500	Structural.
Hackendahl & Schmidt.	Milwaukee, Wis.	2,000	Light Struct.
Hackworthy Cons.Co.	Appleton, Wis.	2,000	" " & Hwy.
Hafers, Chris, Iron Co.	N. Y. City.	500	" " & Orn.
Halsted, Jos.	Chicago, Ill.	500	" "
Hammill Iron Wks.	Jersey City, N. J.	500	" "
Hansel-Elcock Co.	Chicago, Ill.	15,000	Structural.
Happel, Adam.	New York City.	1,000	Struct. & Orn.
Harrower, H.C. Co.	Buffalo, N. Y.	600	Structural.
Hartman, Nelson & Zapfe.	Green Bay, Wis.	300	Light Struct.
Hassel Iron Works Co.	Colo. Springs, Colo.	300	Light Struct. & Orn.
Hathorn Fdry. & Mch.Co.	Mason City. Ia.	1,200	Light Struct.
Hay Foundry & Ir. Wks.	Newark, N. J.	40,000	Structural.
Hedden Iron Cons.Co.	" "	2,200	Struct. & Orn.
Hennepin Bridge Co.	Minneapolis, Minn.	250	Light Struct. & Hwy.
Herzog Iron Wks.	St. Paul, Minn.	1,000	Light Structural.
Hetherington & Berner.	Indianapolis, Ind.	1,500	Struct. & Orn.
Heyl & Patterson, Inc.	Pittsburg, Pa.	3,000	" "
Hinkle Iron Co.	N. Y. City.	12,000	" "
Hitner, Henry A. Sons.	Phila., Pa.	800	Structural.
Hofius Steel Equip.Co.	Seattle, Wash.	600	Light Struct. & Hwy.
Holmes, Pyott & Co.	Chicago, Ill.	4,000	" " "

Horn Struct. Ir. Wks.	Chicago, Ill.	3,000	Structural.
Horseheads Cons.Co.	Horseheads, N. Y.	250	Light Struct. & Orn.
Houston Str.St.Co.	Houston, Texas.	4,000	" "
Hub City Iron Wks.	Aberdeen, N. D.	500	Structural.
Hudson Str.St.Co.	N. Y. City.	1,200	Struct. & Orn.
Illinois Bridge & I.Co.	Sullivan, Ill.	1,500	Highway.
Illinois Steel Br.Co.	Jacksonville, Ill.	2,500	Light Struct. & Hwy.
* Illinois Steel Co:N.Wks.	Chicago, Ill.	36,000	Structural.
Independent Bridge Co.	Pittsburg, Pa.	6,000	Struct. & Hwy.
Indiana Bridge Co.	Muncie, Ind.	5,000	R. R. Struct. & Hwy.
Irving Iron Wks.	Long Island City.	2,000	Struct. & Orn.
Jackson, G.W.Inc.	Chicago, Ill.	20,000	R. R. Struct. & Hwy.
Jackson-Richter Ir.Wks.	Denver Colo.	600	Struct. & Orn.
Jardine, John R.	Farho, N.D.	100	Light Struct. & Hwy.
Jeffrey, Daniel.	Jeanerette, La.	400	" " "
Jennet Bridge & Ir.Wks.	Chicago, Ill.	600	Struct. & Hwy.
Joliet Bridge & Iron Co.	Joliet, Ill.	6,000	" "
Jones & Laughlin St.Co.	Pittsburg, Pa.	30,000	R. R.Struct. & Hwy.
Judson Mfg.Co.	San Francisco, Cal.	5,000	Structural.
Just, Geo. A.	Long Island City.	1,200	"

Kansas City Bridge Co.	Kansas City, Mo.	300	Highway.
Kansas City Stru.St.Co.	Argentine, Kans.	12,000	Structural.
Kaw Boiler Works.	Kansas City, Mo.	300	"
Kaysing Iron & Fdry.Co.	St. Louis, Mo.	1,800	Light Struct.
Kellogg, Geo.Struct.Co.	Buffalo, N. Y.	500	Structural.
Kemper Cons.Co.	Phila., Pa.	600	Light Struct. & Hwy.
Kenwood Bridge Co.	Chicago, Ill.	6,000	R. R. Struct. & Hwy.
Keystone Struct.Co.	Phila.,Pa.	4,000	" " "
King Bridge Co.	Cleveland, Ohio.	20,000	" " "
Kratzer, W. H. & Co.	Pittsburg, Pa.	6,000	Struct. & Hwy.
King, Geo.E. Bridge Co.	Des Moines, Ia.	2,500	Highway.
Kreatz, F. E.	St. Cloud, Minn.	50	Light Struct.
Krentz, F. M.	Stockton, Cal.	500	" "
Lackawanna Bridge Co.	Buffalo, N. Y.	48,000	Struct. Rwy. & Hwy.
La Crosse Steel Roofing & Corrugated Co.	La Crosse, Wis.	600	" " "
Lane Bridge Co.	Painted Post, N. Y.	1,000	" & Hwy.
Lankenheimer, Geo.E.	Chicago, Ill.	400	Structural.
Lauer & Harper.	Baltimore, Md.	6,000	R. R. Struct. & Hwy.
Lehigh Valley Struct.St.	Allentown, Pa.	12,000	" " "
Lenox Iron Works.	New York City.	1,000	Struct. & Orn.
Levering & Garrigues.	"	25,000	Structural.

Lewinson & Co.	New York city.	1,000	Structural.
Lewis, H. B. & Co.	Detroit, Mich.	2,000	Light Struct.
Liberty Iron Works.	New York City.	500	Struct. & Orn.
Llewllyn Iron Works.	Los Angeles, Calif.	10,000	" " "
Louisville Bridge & Ir. Co.	Louisville, Ky.	8,000	R. R. & Struct.
Louisiana Bridge Co.	New Orleans, La.	3,600	Struct. & Orn.
Love Brothers.	Aurora, Ill.	1,200	Light Struct.
Lowe, Geo. A.	Ogden, Utah.	1,000	Structural.
Lowith Brothers.	Denver, Colo.	300	"
Lucas, A. & Sons.	Peoria, Ill.	3,000	Light Struct.
Lukens Ir.& St. Co.	New Orleans, La.	2,000	" "
Lyon, Wm. B. Iron Co.	N. Y. City.	1,000	Struct. & Orn.
La Fayette Eng. Co.	La Fayette, Ind.	1,500	Structural.
Mahoney Mfg.Co.	Troy, N. Y.	300	Structural.
Marquette & Ormund.	Rochester, Minn.	50	Highway.
Massillon Bridge & Str. Co.	Massillon, Ohio.	6,000	R. R. Struct. & Hwy.
McClintic-Marshall Cons. Co.	Carnegie, Pa.	12,000	Struct. & Hwy.
" " "	Pittsburg, Pa.	84,000	R. R. Struct. & Hwy.
" " "	Pottstown, Pa.	30,000	" " "

McDougall & Potter.	N. Y. City.	1,000	Structural.
McGill, Jas. H.	Washington, D. C.	100	Light Struct. & Hwy.
McKinney, Jas. Sons.	Albany, N. Y.	500	Struct. & Orn.
McMyler Interstate Co.	Bedford, O.	5,000	Structural.
McMurray & Bro.	Brooklyn, N. Y.	2,500	"
Mechanics Iron Works.	St. Louis, Mo.	500	Light Struct.
Megquier & Jones.	Portland, Maine.	4,000	Structural.
Memphis Bridge Co.	Memphis, Tenn.	6,000	Light Struct. & Hwy.
Merritt & Co.	Phila. Pa.	700	Struct. & Orn.
Mesker & Bros.	St. Louis, Mo.	600	Light Struct.
Metropolitan Bridge Co.	Jersey City, N. J.	12,000	Structural.
Meyer Bros.	Mankato, Minn.	100	Light Struct. & Hwy.
Midland Bridge Co.	Kansas City, Mo.	300	Highway.
Milliken Bros.	Staten Island, N.Y.	36,000	R. R. Struct. & Hwy.
Milmine H. B. & Co.	Toledo, O.	1,000	Structural.
Milwaukee Bridge Co.	Milwaukee, Wis.	10,000	R. R. Struct. & Hwy.
Minneapolis St.& Mch.Co.	Minneapolis, Minn.	25,000	" " "
Missouri Bridge & Ir.Co.	St. Louis, Mo.	1,000	Light Struct. & Hwy.
Missouri Valley Bdge.& Ir. Co.	Leavenworth, Kans.	1,000	" " "
Modern Struct.St.Co.	Waukesha, Wis.	10,000	R. R. Struct. & Hwy.
Montana Iron Wks.	Butte, Mont.	250	Structural.
Montour Steel Company.	Montour Falls, N. Y.	1,200	Light Struct. & Hwy.

Moore Bros. Fdry.	Wichita, Kans.	600	Light Struct.
Moran Company.	Seattle, Wash.	300	Struct. & Hwy.
Mesker & Co.	Evansville, Ind.	1,000	Structural.
Morava Constr.Co.	Chicago, Ill.	24,000	Structural.
Moresi Fdry & Mch.Co.	Jeanerette, La.	400	Light Struct.
Morris, C.E. & Co.	Columbus, Ohio.	1,000	Structural.
Mortensen Cons.Co.	San Francisco,Cal.	1,000	Light Struct.
Mosher Mfg. Co.	Dallas, Tex.	2,000	" "
Mound City Iron Works.	St. Louis, Mo.	500	" "
Mt. Vernon Bridge Co.	Mt. Vernon, Ohio.	10,000	R. R. Struct. & Hwy.
Muth, Chris.	Chicago, Ill.	400	Light Structural.
National Bridge Wks.	Long Island City	6,000	Structural.
National Iron Works.	Duluth, Minn.	6,000	Light Struct.
" " "	Spokane, Wash.	300	" "
National Wire & Ir.Co.	Cleveland, Ohio.	4,000	Structural.
New Eng. Bolt & Steel Co.	Everett, Mass.	1,000	Light Struct.
New England Struct.Co.	" "	24,000	R. R. Struct. & Hwy.
New Prague Fdry.Co.	New Prague, Minn.	300	Struct. & Hwy.
Noelke-Richards Ir.Wks.	Indianapolis, Ind.	10,000	Structural.
Northern Bridge & Struct. Wks.	Appleton, Wis.	500	Light Struct. & Hwy.

Northwest Bridge & Cons. Co.	St. Cloud, Minn.	150	Struct. & Hwy.
Northwestern Fdry. Co.	Minneapolis, Minn.	3,000	" "
Northwest Steel Wks.	Portland, Oreg.	6,000	" "
Norton, Alfred Co.	Boonton, N. J.	5,000	" "
Northfield Iron Wks.	Northfield, Minn.	25	Light Str. "
Oklahoma Fdry.& Mch.Shop.	Oklahoma City,Okla.	200	Structural.
Omaha Struct.St.Wks.	Omaha, Nebr.	3,000	Highway & Struct.
Oregonia Bridge Co.	Oregonia, O.	800	" "
Ottumna Bridge & Ir.Co.	Ottumna, Ia.	3,500	Struct. Hwy. & Rwy.
Owego Bridge Co.	Owego, N. Y.	5,000	Highway.
Pacific Coast Str.I.Wks.	San Francisco,Cal.	500	Light Struct.
Pacific Iron Works.	Portland, Oreg.	1,200	Struct. & Hwy.
Pacific Rolling Mill Co.	San Francisco,Cal.	8,000	Structural.
Palm,Chas. A.	San Francisco, Cal.	500	"
Pan-American Bridge Co.	New Castle, Ind.	2,000	Struct. & Hwy.
Passaic Steel Co.	Paterson, N.J.	18,000	R. R. Struct. & Hwy.
Paxton & Vierling Ir.Wks.	Omaha, Nebr.	9,000	Structural.
Pearson, S. P. & Co.	N. Y. City.	600	"
Penn Bridge Co.	Beaver Falls, Pa.	10,000	Struct. Rwy. & Hwy.
" "	Claysville, Pa.	5,000	" & Hwy.

Penna. Steel Co.	Steelton, Pa.	85,000	R. R. Struct. & Hwy.
Phila. Steel & Wire Co.	Camden, N. J.	2,400	Structural.
Phoenix Bridge Co.	Phoenixville, Pa.	35,000	"
Pierson & Goodrich.	N. Y. City.	2,500	Struct. & Orn.
Pilsen Fdry. & Ir.Wks.	Chicago, Ill.	1,000	Light Struct.
Pirkl Iron Works, J.	Brooklyn, N. Y.	5,000	Structural.
Pittsburg Bridge & Ir.Co.	Rochester, Pa.	5,000	Struct. & Hwy.
Pollock, Wm. B. & Co.	Youngstown, Ohio.	1,000	Structural.
Poppke & Son.	Brooklyn, N. Y.	500	Struct. & Orn.
Portage Iron Works.	Portage, Wis.	100	Light Struct.
Potthoff, W. F. Co.	Cincinnati, Ohio.	3,500	Struct. & Orn.
Presteem Peter.	Nero, Wis.	100	Light Struct.
Prince Iron Works.	New York City.	800	Structural.
Providence Str.Ir.Co.	Providence, R.I.	1,500	Struct. & Orn.
Provo Fdry. & Mch. Co.	Provo, Utah.	500	Light Struct.
Quackenbusch, Jno. M.	Webster City, Ia.	75	Light Struct. & Hwy.
Queen City Iron & Wire Wks.	Denver, Colo.	300	Structural.
Radley Steel Cons.Co.	New York City.	2,000	Struct. & Orn.
Ralston Iron Works.	San Francisco.	5,000	Structural.
Rapp Iron Works.	New York City.	500	"

Ravitch Brothers.	Long Island City.	6,000	Structural.
Red Oak Bridge & Ir.Wks.	Red Oak, Ia.	700	Highway.
Remppis, Wm.F.Co.	Reading, Pa.	600	Light Struct. & Orn.
Republic Struct.Ir.Wks.	Cleveland, O.	2,000	" "
Reynolds, E.P. Co.	N. Y. City.	500	Struct. & Orn.
Richmond Pattern & Str. Ir.Wks.	Richmond, Va.	3,000	Structural.
Riesseck, Peter.	Pittsburg, Pa.	500	
Riter-Conley Mfg.Co.	" "	10,000	R. R. & Struct.
Riverside Bridge Co.	Wheeling, W. Va.	12,000	" " & Hwy.
Rochester Bridge Co.	Rochester, Ind.	2,000	" " "
Rogers Bros.	Albion, Pa.	3,000	Light Struct. & Hwy.
Ross & Sisti.	New York City.	500	" " & Orn.
Russel Wheel & Fdry.Co.	Detroit, Mich.	8,000	Structural.
Ryerson & Son.	Chicago, Ill.	12,000	Structural, R.R& Hwy.
Salt Lake Eng.Wks.	Salt Lake City.	300	Structural.
Sandblom Iron Works.	Brooklyn, N. Y.	2,000	"
Scaar & Sullivan.	Chicago, Ill.	1,000	Light Structural.
Scaife, Wm.B. & Sons.	Pittsburg, Pa.	10,000	" "
Schaefer Mfg.Co.	Birmingham, Ala.	2,400	Struct. & Hwy.
Scherbner, Paul Jr.	New York City.	1,000	Structural.

Schreiber, L.& Sons Co.	Cincinnati, Ohio.	5,000	Struct. & Orn.
Schneider & Sons.	Washington, D. C.	6,000	Structural.
Schrader Iron Wks.	San Francisco, Calif.	1,000	Light Structural.
Schurk Iron Wks.	St. Louis, Mo.	700	" "
Schuylkill Bridge Wks.	Pottstown, Pa.	9,500	Struct. & Rwy.
Seaton, Jno. Fdry. & Mfg. Co.	Atchison, Kan.	7,000	Railroad.
Seavers Mfg. Co.	Oskaloosa, Ia.	600	"
Sherwin & Sons, E.C.	Brandon, Wis.	200	Light Struct. & Hwy.
Shoemaker, Lewis & Co.	Philadelphia, Pa.	8,000	" " "
Shorthill, A. E.	Marshalltown, Ia.	5,000	Struct. & Highway.
Silver Bros. Ir. Wks.	Salt Lake City.	2,500	Structural.
Silver, H.A. & Mch. Co.	" " "	500	"
Skobia Brothers.	Milwaukee, Wis.	3,600	"
Smith Iron Co. G.W.& E.	Roxbury, Mass.	5,000	Struct. & Orn.
Smyser-Royer Co.	Philadelphia, Pa.	500	Light Struct. & Orn.
Snare & Triest.	Jersey City, N.J.	2,800	Structural.
Snead Arch. Ir. Wks.	Louisville, Ky.	2,500	Struct. & Orn.
Southern Bridge Co.	Birmingham, Ala.	1,200	Light Struct. & Hwy.
Southern Ohio Ir. Wks.	Cincinnati, O.	300	Structural & Orn.
So. Halsted St. Ir. Wks.	Chicago, Ill.	12,000	Structural.
Springfield Bridge & Ir. Wks.	Springfield, Ill.	1,200	Light Struct. & Hwy.
Spuck Iron & Fdry. Co.	St. Louis, Mo.	4,000	Structural.

Steel & Wike.	Philadelphia, Pa.	800	Light Structural.
Sterling Iron Wks.	Springfield, Mo.	2,500	" " & Hwy.
Stevens Ir. Wks. & Fire-Proofing Co.	Cleveland, O.	500	" "
St.Louis Arch.Ir.Wks.	St. Louis, Mo.	2,400	Structural.
Stewart & Stevens Ir.Wks.	Philadelhia, Pa.	600	Light Structural.
Stone City Steel Cons.Co.	Bedford, Ind.	500	" "
St. Paul Fdry.Co.	St. Paul, Minn.	18,000	Struct. & Hwy.
Strnad,N.J.& Son.	Chicago, Ill.	500	Light Struct.
Stupp Iron Works.	St. Louis, Mo.	5,000	Struct. & Hwy.
Sumner Iron Works.	Everett, Wash.	500	" "
Syracuse Bridge Co.	Syracuse, N.Y.	300	Structural.
Taylor & Dean.	Pittsburg, Pa.	500	Light Struct. & Orn.
Terry & Tench Co.	New York City.	1,000	Structural.
Thomas-Fordyce Mfg.Co.	Little Rock,Ark.	2,400	"
Tippet & Wood.	Philipsburg, N.J.	1,000	Light Struct. & Hwy.
Toepfer, Wm.& Sons.	Milwaukee, Wis.	600	" " "
Toledo Bridge & Crane Co.	Toledo, Ohio.	15,000	R. R. Struct. & Hwy.
Topeka Bridge & Ir. Wks.	Topeka, Kans.	400	Highway & Struct.
Tower , Jas. H.	Providence, R. I.	2,000	Light Struct. & Orn.
Toledo Wire & Iron Co.	Toledo, O.	800	" " "

Union Iron Works.	Los Angeles, Cal.	3,000	Structural.
" "	Spokane, Wash.	600	"
Union Iron & Fdry.Co.	St. Louis, Mo.	5,000	"
Union Fdry.Co.	Chicago, Ill.	3,000	"
United Iron Wks. Co.	Springfield, Mo. Pittsburg, Kans. Aurora,Mo. Iola, Kans. Joplin, Mo. Cherryvale,Kans.	7,000	"
Uris, Harris H.Iron Wks.	New York City.	1,500	Struct. & Orn.
Valley Iron Works.	Williamsport, Pa.	100	Structural.
Vanderstucken-Ewing Cons.Co.	Bethlehem,Pa.	2,700	Light Struct. & Orn.
Van Dorn Iron Wks.Co.	Cleveland, O.	7,500	Struct. & Hwy.
Variety Iron Wks.	"	5,000	Light Struct. & Hwy.
Victor Iron Works.	St. Louis, Mo.	800	Light Structural.
Vierling Steel Works.	Chicago, Ill.	6,000	Structural.
Vilsack-Martin Co.	Pittsburg, Pa.	500	Light Struct. & Orn.
Vincennes Bridge Co.	Vincennes, Ind.	5,000	Struct. & Hwy.
Virginia Bridge & Ir.Wks.	Atlanta, Ga.	2,400	" " "
" " "	Memphis, Tenn.	6,000	Rwy. Struct. & Hwy.

Virginia Bridge & Ir.Wks.	Roanoke, Va.	30,000	Structural.
Vogenthaler, E.C.	Dubuque, Ia.	900	Light Struct.
Vulcan Iron Works.	Seattle, Wash.	500	Light Struct.
" "	Milwaukee, Wis.	1,500	Light Struct. & Orn.
Wagner, Adolph F.	Milwaukee, Wis.	2,000	Light Struct.
Walsh's Boiler & Ir.Wks.	Holyoke, Mass.	1,500	" "
Wausau Iron Wks.	Wausau, Wis.	1,000	" "
Wayne Iron Works.	Philadelphia, Pa.	100	Structural.
West Coast Wagon Works.	Tacoma, Wash.	300	"
Western Iron & Fdry.Co.	Wichita, Kans.	400	"
Western Iron Works.	San Francisco.	3,000	Light Structural.
Western Iron Works.	Butte, Mont.	500	" "
West Side Struct.Co.	Troy, N. Y.	500	Structural.
W.Va.Bridge & Cons.Co.	Wheeling, W. Va.	2,500	N.J.Bridge Co.Owners
Whale Creek Iron Wks.	Brooklyn, N.Y.	500	Structural. (Rcvrs
Whitehead & Kales Co.	Detroit, Mich.	4,500	"
Willamette Ir. & St.Co.	Portland, Oreg.	500	Light Struct.
Winamac Bridge Co.	Winamac, Ind.	800	Struct. & Hwy.
Wisconsin Bridge & Ir.Co.	Milwaukee, Wis.	15,000	R. R. Struct. & Hwy.
Worden Allen Co.	" "	15,000	" " "
Wurtz & Son.	Buffalo, N.Y.	2,500	Structural.

York Bridge Co.	York, Pa.	3,000	Light Struct. & Hwy.
Youngstown Wire & Ir.Co.	Youngstown, Ohio.	2,400	Light Struct. & Orn.

About 374 total competitors of A. B. Co.

S U M M A R Y

Total Annual Capacities

Competitors in Eastern Division	669,300	net tons.
" " Central "	580,300	" "
" " Western "	575,800	
	1,825,400	" "
Less	41,000	
	1,784,400	

*Should be deducted from this summary.

A. B. Co. approximately 750,000 tons or about 30%.

DEFENDANT'S EXHIBIT NO. 12.
June 10, 1902.

(Page 1682 of Stanley Hearings.)

THORNE ON THE TRUST CO. — THINKS DEPOSITORS SHOULD BE TAKEN INTO CONFIDENCE OF THE BANKERS — TELLS HOW RUN WAS STARTED — WAS WARNED MONTHS AGO THAT THERE WAS DANGER OF PERIOD OF FINANCIAL STRESS — SET ABOUT TO PUT HIS HOUSE IN ORDER — PAID OUT OVER $34,000,000.

New York, November 6.

Oakleigh Thorne, president of the Trust Co. of America, made the following statement today:

"I think the time has now come to take the depositors, the stockholders, and the public into our confidence. I have felt all along that I was a trustee primarily of the depositors, and next for the stockholders, and all of my actions have been guided by the desire to honestly meet the duties of this trusteeship. Months ago I was warned, as, indeed, we all were, that there was a danger of a period of financial stress coming upon us, and we set about putting our house in order. We promptly reduced our loans and increased our cash means to a point where we had a reserve largely in excess of the legal requirement when the crisis came. Indeed, we had so much money on hand that wise and conservative bankers advised me to put some of our money and demand loans into time loans.

"When the storm broke, to my utter amazement, its chief force was directed against the Trust Co. of America. It is idle now to discuss the reason why. The fact remains that public attention was riveted upon this institution by newspaper publication, and the run developed into a persistent and

steadfast demand. This run is unprecedented in the history of banking. In a few days our receipts were in excess of our payments, but altogether we have paid out since it began over $34,000,000. Throughout the whole period of stress I have courted the closest examination into our affairs, and last Saturday night, for instance, the banking interests who had been so helpful in the emergency, appointed a committee of experts to go through our assets. These experts had no interest in the matter whatever. They found, after working all night Saturday and half the day Sunday, that we had enough, even at the present low market prices, to pay every dollar of our deposits, to leave our capital intact, and a substantial surplus.

"I think in the end it will be profitable for the Trust Co. of America that this fierce light should have beat upon it and should have disclosed the character of its securities. There have been all sorts of wild rumors afloat, but it is now definitely known that no officer or director of the bank has been improperly using the funds for his own purposes; no officer has had a loan here in excess of legal limits, and the president of that institution had no loans whatever. Neither has any company with which the president was associated had any loans.

"It has been suggested that during some days we were unnecessarily slow in payment of depositors. In answer, it should have been found upon examination of the checks presented that 25 to 30 per cent. of them were not good.

"I should be untrue to myself if I did not make acknowledgement of the help we have received at our fellow bankers' hands in New York. There has been a great deal of misapprehension on the part of the public concerning this matter. No officer or director had been asked to resign, and there has been no absorption of this company by any

other. A number of gentlemen of very high character and undoubted responsibility have entered into an agreement by which a majority of our stock is to be deposited with them as voting trustees, and they are to act as an advisory committee in cooperation with our board of directors."

DEFENDANT'S EXHIBIT No. 13.
June 10, 1912.

(The Evening Post, New York, Tuesday, October 22, 1907. Extra; with last edition).

TRUST CO. CLOSES

Knickerbocker Suspends

Temporarily.

Action Follows Serious Runs.

Lack of Cash is the Cause, According to Officers—Enormous Funds Promised for To-Morrow—Cortelyou Agrees to Make Deposits in Local Banks as Soon as Collateral is Supplied— Stocks Collapse in Wall Street— Run on Trust Company's Main Office Distinguished by Crush of Motor Cars and Carriages— A Criticism of Roosevelt as Destroyer of the Country's Credit System.

* * *

The presidents of the trust companies who first gathered for a conference at the Knickerbocker offices, later went to the office of Oakleigh Thorne president of the Trust Company of America.

DEFENDANT'S EXHIBIT No. 14.
June 10, 1913.

New York Tribune,

New York, Wednesday, October 23,1907.

KNICKERBOCKER TRUST COMPANY SHUT.

MAY NOT OPEN TODAY.

OTHER CONCERNS SLOW IN ADVANCING FUNDS TO TRUST COMPANY.

It was reported last night that more than $4,000,000 of deposits had been withdrawn from the Trust Company of America yesterday. The man who made this statement was one of the members of the conference, which included Secretary Cortelyou, Mr. Morgan, Mr. Hepburn and others, at the Hotel Manhattan.

CORTELYOU TO THE RESCUE.

Confers with Financiers Here About Improving the Situation.

A well known banker who attended the conference at the Hotel Manhattan, at which Secretary Cortelyou was present, said after the meeting in regard to the financial situation. * * * * Attention has been riveted to the Trust Company of America, of which Oakleigh Thorne is President. It is believed by the Clearing House interests and also the Morgan interests that the situation in this trust company is vastly different from that in the Knickerbocker, if the condition of this company is such as those who were represented at the conference have every reason to believe.

"Those who attended the conference can announce authoritatively that the Trust Company

of America is to be cared for and supplied with necessary cash pending an investigation of the accounts of the company by a committee already named at the conference tonight. If the position of the Trust Company of America is such as the bankers have every reason to believe, it will be cared for in every eventuality. It is understood that the chief reason the Knickerbocker company was not assisted to-day by the Clearing House interests and those of Mr. Morgan and his associates was because it was considered that the capital and surplus of that company had been impaired."

DEFENDANTS' EXHIBIT NO. 15.

June 12, 1912.

NAME	Sold Complete	Moved to Going Plants.	Used as Spares.	Scrapped.
Montpelier, Indiana		6		
Atlanta Steel & Tin Plate Company			6	
Baltimore				2
Beaver Tin Plate	7			
Blairsville Rolling Mill and Tin PM				2
Briton Rolling Mill, Cleveland				3
Cannonsburg Iron & Steel Co.	5			
Champion Iron & Steel Co.		6		
Cincinnati Rolling Mill & Tin P Co.		4		
Cumberland Steel & Tin P Co.		5		
Elwood Tin Plate Co.,Elwood City,Pa			6	
Falcon Tin Plate & Sheet Co.		6		
Great Western Tin Plate Co.				4
Hamilton & Co.		2		
Irondale Steel & Iron Co.		6		

N A M E.	Sold Complete	Moved to Going Plants	Used as Spares	Scrapped
Johnstown Tin Plate Company		2		
Marshall Brothers & Co.				6
Anderson Works.		7		
Neshannock Sheet & Tin Plate Co.				6
Ohio River Sheet & Tin Plate Co.		2		
Reeves Iron Company		6		
Star Tin Plate Co.		8		
Wallace Banfield & Co.				4
Washington Sheet & Tin Plate Mills			4	
T O T A L	12	60	16	27

DEFENDANTS' EXHIBIT NO. 16.
December 17, 1912.

Supplement to the Iron and Steel Works Directory, 1900, corrected to February, 1900.

(It was agreed among counsel that the above was not to be printed.)

DEFENDANTS' EXHIBIT NO. 17.

Statistics of the American and Foreign Iron Trades for 1899, presented to the members May 25, 1900.

(It was agreed among counsel that the above exhibit was not to be printed.)

LOWEST PRICES OF IRON AND STEEL

There have been four periods of particularly low prices for iron and steel in this country since the close of the civil war, the first occurring after the panic of 1873, the second in 1884 and 1885, the third from 1891 to 1895, and the fourth from 1896 to 1898. The lowest quoted prices for six leading products in each of these periods are given in the following table, per ton of 2,240 pounds, except for bar iron, which is quoted by the 100 pounds. With one exception the lowest prices were in the last period mentioned in the table, from 1896 to 1898.

Articles	1873-9	1884-5	1891-5	1896-8
No. 1 foundry pig iron, at Philadelphia	$16.50	$17.50	$12.00	$11.25
Gray forge pig iron, Lake ore, at Pittsbgh	16.00	14.00	8.90	8.25
Bessemer pig iron, at Pittsburgh	19.50	17.00	9.95	9.25
Old iron T rails, at Philadelphia	18.00	16.50	11.00	11.50
Best bar iron, at Pittsburgh	1.60	1.50	1.10	.95
Steel rails, at mills, in Pennsylvania	40.00	26.00	22.00	16.00

AVERAGE MONTHLY PRICES OF IRON AND STEEL

In the following table we give the average monthly prices of various leading articles of iron and steel in Pennsylvania in 1895, 1896, and 1897, and in the first eight months of 1898. The prices named are per gross ton of 2,240 pounds, except for bar iron, which is quoted by the pound.

Months.	Old iron T rails, at Philadelphia.	No. 1 foundry pig iron, at Philadelphia.	Gray forge pig iron, at Philadelphia.	Gray forge pig iron, Lake ore, at Pittsburgh.	Bessemer pig iron, at Pittsburgh.	Steel rails, at mills, in Pennsylvania.	Steel billets, at mills, at Pittsburgh.	Best refined bar iron, from store, Philadelphia. Base.	Best refined bar iron, at Pittsburgh. Base.
January, 1895	$11.75	$12.08	$10.50	$ 9.17	$10.06	$22.00	$14.79	1.20c.	1.10c.
February	11.75	12.00	10.50	9.09	10.15	22.00	15.01	1.20c.	1.10c.
March	12.00	12.06	10.50	8.99	10.23	22.00	14.94	1.25c.	1.10c.
April	12.00	12.00	10.50	9.27	10.69	22.00	15.42	1.30c.	1.10c.
May	12.25	12.06	10.45	9.81	11.15	22.00	16.25	1.35c.	1.18c.
June	13.75	12.50	11.12	10.55	12.39	22.00	18.85	1.35c.	1.22c.
July	15.30	13.80	12.05	11.45	14.14	24.00	21.06	1.60c.	1.32c.
August	16.12	13.75	12.31	11.97	15.02	24.00	22.05	1.70c.	1.36c.
September	16.50	14.20	12.70	13.37	17.19	28.00	24.35	1.70c.	1.44c.
October	16.20	14.50	12.87	13.12	15.77	28.00	22.19	1.60c.	1.42c.
November	16.50	14.44	12.44	12.65	13.94	28.00	19.90	1.60c.	1.40c.
December	15.00	13.65	11.90	11.65	11.87	28.00	17.00	1.45c.	1.37c.
January, 1896	14.25	13.56	11.55	10.90	11.81	28.00	16.60	1.45c.	1.25c.
February	14.75	13.50	11.50	11.00	12.95	28.00	17.69	1.40c.	1.25c.
March	15.00	13.45	11.30	10.92	12.25	28.00	17.19	1.35c.	1.21c.
April	14.87	13.25	11.19	10.85	13.32	28.00	19.80	1.40c.	1.20c.
May	14.43	12.83	11.00	10.79	12.83	28.00	19.55	1.40c.	1.20c.
June	14.00	12.75	11.00	10.62	12.47	28.00	19.42	1.40c.	1.20c.
July	14.00	12.75	10.90	10.37	12.12	28.00	19.50	1.40c.	1.20c.
August	14.00	12.75	10.75	9.63	10.91	28.00	19.22	1.40c.	1.20c.
September	13.50	12.50	10.75	9.50	11.31	28.00	19.41	1.40c.	1.20c.
October	12.75	12.56	10.81	9.87	11.71	28.00	19.73	1.40c.	1.20c.
November	13.94	12.81	11.12	10.34	12.46	28.00	19.89	1.40c.	1.22c.
December	14.50	12.75	11.25	9.94	11.54	28.00	18.00	1.40c.	1.25c.
January, 1897	14.00	12.75	11.06	9.66	10.77	25.00	15.90	1.40c.	1.22c.
February	13.87	12.75	11.00	9.54	10.72	20.00	15.50	1.40c.	1.20c.
March	12.60	12.60	10.65	9.41	10.57	18.00	15.62	1.40c.	1.20c.
April	11.62	12.12	10.50	8.65	9.91	18.00	14.65	1.25c.	1.14c.
May	11.50	11.87	10.25	8.70	9.52	18.00	13.96	1.25c.	1.04c.
June	11.50	11.75	10.10	8.36	9.74	18.00	14.12	1.25c.	.99c.
July	11.50	11.75	10.19	8.36	9.39	18.00	14.00	1.25c.	.95c.
August	11.55	11.75	10.05	8.29	9.54	18.00	14.29	1.25c.	.99c.
September	12.25	11.87	10.50	8.85	10.04	18.00	15.50	1.25c.	1.07c.
October	13.69	12.00	10.50	9.75	10.70	18.00	16.55	1.35c.	1.15c.
November	13.15	12.00	10.50	9.56	10.52	18.00	15.87	1.35c.	1.15c.
December	**12.67**	**12.00**	**10.50**	**9.00**	**10.09**	**18.00**	**15.00**	**1.35c.**	**1.15c.**

Defendants' Exhibit No. 18-a
December 17, 1912

AVERAGE YEARLY PRICES OF IRON AND STEEL

The following table gives the average yearly prices of leading articles of iron and steel in Pennsylvania for the years 1893, 1894, 1895, 1896, and 1897. These prices are obtained by averaging monthly quotations, and these have in turn been averaged from weekly quotations. The prices given are per ton of 2,240 pounds, except for bar iron, which is quoted by the 100 pounds.

Articles	1893	1894	1895	1896	1897
Old iron T rails, at Philadelphia.....	$16.43	$11.95	$14.09	$14.16	$12.49
No. 1 foundry pig iron, at Philadelphia.....	14.52	12.66	13.10	12.95	12.10
Gray forge pig iron, at Philadelphia.....	12.73	10.73	11.49	11.09	10.48
Gray forge pig iron, at Pittsburgh.....	11.77	9.75	10.94	10.39	9.03
Bessemer pig iron, at Pittsburgh.....	12.87	11.38	12.72	12.14	10.13
Steel rails, at mills, in Pennsylvania.....	28.12	24.00	24.33	28.00	18.75
Steel billets, at mills, at Pittsburgh.....	20.44	16.58	18.48	18.83	15.08
Best bar iron, from store, at Philada.....	1.70	1.34	1.44	1.40	1.31
Best bar iron, at Pittsburgh.....	1.50	1.20	1.25	1.21	1.10

Defendants' Exhibit No. 19
December 17, 1912

TOTAL PRODUCTION OF FINISHED ROLLED IRON AND STEEL

The total production of iron and steel rails, plates, sheets, wire rods, structural shapes, nail plate, merchant bars, and all other finished rolled products from 1887 to 1910 is given below. Rolled forging blooms and forging billets are included from 1905. Prior to 1892 structural shapes were included with bars, hoops, etc.

Years	Iron and steel rails Gross tons.	Plates and sheets, except nail plate.	Wire rods. Gross tons.	Structural shapes, not including plates.	Nail plate. Gross tons.	Bars, hoops, and all other forms.	Total Gross tons.
1887.	2,139,640	603,355	.....	.....	308,432	2,184,279	5,235,706
1888.	1,403,700	609,827	279,769	.....	289,891	2,034,162	4,617,349
1889.	1,522,204	716,496	363,851	.....	259,409	2,374,968	5,236,928
1890.	1,885,307	809,981	457,099	.....	251,828	2,618,660	6,022,875
1891.	1,307,176	678,927	536,607	.....	223,312	2,644,941	5,390,963
1892.	1,551,844	751,460	627,829	453,957	201,242	2,579,482	6,165,814
1893.	1,136,458	674,345	537,272	387,307	136,113	2,104,190	4,975,685
1894.	1,021,772	682,900	673,402	360,305	108,262	1,795,570	4,642,211
1895.	1,306,135	991,459	791,130	517,920	95,085	2,487,845	6,189,574
1896.	1,122,010	965,776	623,986	495,571	72,137	2,236,361	5,515,841
1897.	1,647,892	1,207,286	970,736	583,790	94,054	2,497,970	7,001,728
1898.	1,981,241	1,448,301	1,071,683	702,197	70,188	3,239,760	8,513,370
1899.	2,272,700	1,903,505	1,036,398	850,376	85,015	4,146,425	10,294,419
1900.	2,385,682	1,794,528	846,291	815,161	70,245	3,575,536	9,487,443
1901.	2,874,639	2,254,425	1,365,934	1,013,150	68,850	4,772,329	12,349,327
1902.	2,947,933	2,665,409	1,574,293	1,300,326	72,936	5,383,219	13,944,116
1903.	2,992,477	2,599,665	1,503,455	1,095,813	64,102	4,952,185	13,207,697
1904.	2,284,711	2,421,398	1,699,028	949,146	61,601	4,597,497	12,013,381
1905.	3,375,929	3,532,230	1,808,688	1,660,519	64,542	6,398,107	16,840,015
1906.	3,977,887	4,182,156	1,871,614	2,118,772	54,211	7,383,828	19,588,468
1907.	3,633,654	4,248,832	2,017,583	1,940,352	52,027	7,972,374	19,864,822
1908.	1,921,015	2,649,693	1,816,949	1,083,181	45,747	4,311,608	11,828,193
1909.	3,023,845	4,234,346	2,335,685	2,275,562	63,746	7,711,506	19,644,690
1910.	3,636,031	4,955,484	2,241,830	2,266,890	45,294	8,475,750	21,621,279

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December 17, 1912

Rolled Iron and Steel (Exclusive of Pig Iron, etc.)

PRODUCTION FOR HOME CONSUMPTION

	Total Consumption in United States in tons	Produced by Corporation for Home Consumption in tons	Produced for Home Consumption. Percentage by Corporation	Percentage of total Production by Corporation
1904	11,081,594	4,723,126	42.6	47.8
1905	16,082,515	7,025,097	43.7	47.3
1906	18,544,026	8,353,627	45.	48.1
1907	18,809,420	8,426,954	44.8	47.5
1908	11,024,390	4,794,020	43.5	47.1
1909	18,654,512	8,603,897	46.1	48.9
1910	20,486,472	9,177,403	44.8	48.1
1911	17,090,306	6,984,060	40.9	45.7

Defendants' Exhibit No. 20
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PRODUCTION FOR HOME CONSUMPTION

1911

Total Exports ("Statistics" 1911, Pt.1, P.37)		3,187,735	
*Less Pig Iron	180,799		
Radiators	4,063	184,862	
Total Exports Rolled Iron & Steel			2,062,863
Exported by U.S. Steel Corpn. (Annual Report 1911, p. 26)		1,746,492	
*Less Pig Iron		26,738	1,719,764
Exported by other Companies			343,099
Total Production United States ("Statistics" 1911, Pt.2, p.31)			19,039,171
Produced by U.S. Steel Corpn. (45.7%)			8,703,824
Produced by Other Companies			10,335,347
Total Imports ("Statistics" 1911, Pt.1, p.35)		262,457	
*Less Pig Iron		148,459	
Total imports of rolled iron and steel		113,998	
Total Production United States			19,039,171
Add Total Imports			113,998
Total			19,153,169
Less Total Exports			2,063,863
Total Consumption United States			17,090,306
Total Production by U. S. Steel Corpn.			8,703,824
Less Exports			1,719,764
Production by U.S. Steel Corpn. for Home Consumption			6,984,060

U. S. Steel Corporation produced for Home Consumption 40.9% of Rolled Iron and Steel consumed in the United States.

*NOTE: Pig Iron, etc. deducted from exports and imports because these items are not included in the production figures.

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December 17, 1912

PRODUCTION FOR HOME CONSUMPTION

1910

Total Exports ("Statistics" 1911 p. 37)		1,537,943	
*Less Pig Iron	137,385		
Radiators	2,354	139,639	
Total Exports Rolled Iron and Steel			1,408,304
Exported by U.S. Steel Corpn. (Annual Report 1910, p. 37)		1,223,496	
*Less Pig Iron		6,974	
			1,216,522
Exported by other Companies			191,782
Total Production U. S. (1910, "Statistics" p.100)			21,621,279
Produced by U.S. Steel Corpn. (48.1%)			10,393,985
Produced by Other Companies			11,227,354
Total Imports ("Statistics" 1911, p. 35)			510,730
*Less Pig Iron			337,233
Total Imports of Rolled Iron and Steel			273,497
Total Production United States			21,621,279
Add Total Imports			273,497
			21,894,776
Less Total Exports			1,408,304
Total Consumption United States			20,486,472
Total Production by U. S. Steel Corpn.			10,393,985
Less Export U. S. Steel Corpn.			1,216,582
Produced by U.S. Steel Corpn. for Home Consumption			9,177,403

U. S. Steel Corporation produced for Home Consumption 44.8% of Rolled Iron and Steel consumed in the United States.

*NOTE: Pig Iron, etc. deducted from Exports and Imports because these items are not included in the production figures.

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December 17, 1912

PRODUCTION FOR HOME CONSUMPTION

1909

Total Exports ("Statistics" 1910, p.43)	1,239,709	
*Less Pig Iron	61,989	
Total Exports Rolled Iron and Steel		1,177,720
Exported by U.S. Steel Corpn. (Annual Report 1909, p. 27)	1,009,746	
*Less Pig Iron	8,337	1,001,409
Exported by Other Companies		176,311
Total Production United States ("Statistics" 1910, p. 99)		19,644,690
Produced by U.S. Steel Corpn. (48.9%)		9,605,306
Produced by Other Companies		10,039,384
Total Imports ("Statistics" 1910 p. 40)		363,984
*Less Pig Iron		176,442
Total Imports Rolled Iron and Steel		187,542
Total Production United States		19,644,690
Add Total Imports		187,542
		19,832,232
Less Total Exports		1,177,720
Total Consumption United States		18,654,513
Total Production by U. S. Steel Corpn.		9,605,306
Less Exports " " " " "		1,001,409
Produced by U.S. Steel Corpn. for Home Consumption		8,603,897

U. S. Steel Corporation produced for Home Consumption 46.1% of Rolled Iron and Steel consumed in the United States.

* NOTE: Pig Iron, etc. deducted from Exports and Imports because these items are not included in the production figures.

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December 17, 1912

PRODUCTION FOR HOME CONSUMPTION

1908

Total Exports ("Statistics" 1909, p.40)	964,242	
*Less Pig Iron	46,696	
Total Exports (Rolled Iron and Steel)		917,546
Exported by U.S. Steel Corpn. (Annual Report 1908, p. 36)	799,406	
*Less Pig Iron	21,898	777,508
Exported by Other Companies		140,038
Total Production United States ("Statistics 1909, p. 94)		11,828,193
Produced by U. S. Steel Corpn. (47.1%)		5,571,528
Produced by Other Companies		6,256,665
Total Imports ("Statistics" 1909, p. 38)		205,845
*Less Pig Iron		92,202
Total Imports (Rolled Iron and Steel)		113,643
Total Production U. S.		11,828,193
Add Total Imports		113,643
Less Total Exports		11,941,836
		917,546
Total Consumption of U. S.		11,024,290
Total Produced by U. S. Steel Corpn.		5,571,536
Less Export by U. S. Steel Corpn.		777,508
Produced by U. S. Steel Corporation for Home Consumption		4,794,020

U. S. Steel Corporation produced for Home Consumption 43.5% of Rolled Iron and Steel consumed in the United States.

* NOTE: Pig Iron, etc. deducted from Exports and Imports because these items are not included in the production figures.

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December 17, 1912

1907

Total Exports (1908, p. 39)	1,301,979	
Less Pig Iron	73,703	
Total Exports Rolled I. & S.		1,228,276
Exported by U.S. Steel Corpn. (Annual Rept. 1907, p. 29)	1,014,082	
No pig iron deduction		1,014,082
Exported by other companies		214,194
Total Production U. S. (1907, p. 87)		19,864,822
Produced by U. S. Steel Corpn (47.5%)		9,441,036
Produced by other companies		10,423,786
Total Imports (1908, p. 37)		662,349
Less Pig Iron		489.475
Total Imports Rolled I. & S.		172,874
Total Production U. S.		19,864,822
Add Total Imports		172,874
		20,037,696
Less Total Exports		1,228.276
Total Consumption U. S.		18,809,420
Total Produced by U.S. Steel Corpn.		9,441,036
Less Exports		1,014,082
Produced by U.S. Steel Corpn. for Home Consumption		8,426,954

U. S. Steel Corporation produced for Home Consumption 44.8% of the total Rolled Iron and Steel consumed in the United States.

The years 1904 to 1907, inclusive are slightly in error as to tonnages on account of the fact that the Corporation returns for Export for these years do not separate Pig Iron. The percentages are not materially affected.

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December 17, 1912

1906

Total Exports (1907, p. 36)	1,325,740	
Less Pig Iron	83,317	
Total Exports Rolled Iron and Steel		1,242,423
Exported by U.S. Steel Corpn. (Annual Report 1906, p. 26)	1,079,319	
No pig iron deduction		1,079,319
Exported by other companies		163,104
Total Production U. S. (1906, p. 82)		19,588,468
Produced by U. S. Steel Corpn (48.1%)		9,432,946
Produced by other companies		10,155,522
Total Imports (1907, p. 34)		577,809
Less Pig Iron		379,828
Total Imports Rolled Iron and Steel		197,981
Total Production U. S.		19,588,468
Add Total Imports		197,981
		19,786,449
Less Total Exports		1,242,423
Total Consumption U. S.		18,544,026
Total Produced by U. S. Steel Corpn.		9,432,946
Less Exports		1,079,319
Produced by U. S. Steel Corpn. for Home Consumption		8,353,627

U. S. Steel Corporation produced for Home Consumption 45% of the total Rolled Iron and Steel consumed in the United States.

The years 1904 to 1907, inclusive are slightly in error as to tonnages on account of the fact that the Corporation returns for Export for these years do not separate Pig Iron. The percentages are not materially affected.

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1905

Total Exports (1906, p. 34)	1,010,255	
Less Pig Iron	49,221	
Total Exports Rolled Iron and Steel		961,034
Exported by U. S. Steel Corpn. (Annual Report 1905, p. 24)	953,858	
No pig iron deduction		953,858
Exported by other companies		7,176
Total Production U. S. (1905, p. 80)		16,840,015
Produced by U. S. Steel Corpn. (47.3%)		7,978,955
Produced by other companies		8,861,060
Total Imports (1906, p. 35)		416,000
Less Pig Iron		212,466
Total Imports Rolled Iron and Steel		203,534
Total Production U. S.		16,840,015
Add Total Imports		203,534
		17,043,549
Less total Exports		961,034
Total Consumption U. S.		16,082,515
Total produced by U. S. Steel Corpn.		7,978,955
Less Exports		953,858
Produced by U. S. Steel Corpn. for Home Consumption		7,085,097

U. S. Steel Corporation produced for Home Consumption 43.7% of the total Rolled Iron and Steel consumed in the United States.

The years 1904 to 1907, inclusive are slightly in error as to tonnages on account of the fact that the Corporation returns for Export for these years do not separate Pig Iron. The percentages are not materially affected.

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1904

Total Exports (1905, p. 27)	1,167,710	
Less Pig Iron	49,025	
Total Exports Rolled Iron and Steel		1,118,685
Exported by U. S. Steel Corpn. (Annual Report 1904, p. 33)	1,021,672	
No pig iron deduction		1,021,672
Exported by other companies		97,013
Total Production U. S. (1905, p. 79)		12,013,381
Produced by U. S. Steel Corporation (47.8%)		5,744,798
Produced by other companies		6,268,583
Total Imports (1905, p. 28)		366,398
Less Pig Iron		79,500
Total Imports Rolled Iron and Steel		186,898
Total Production U. S.		12,013,381
Add Total Imports		186,898
		12,200,279
Less Total Exports		1,118,685
Total Consumption U. S.		11,081,594
Total Production by U. S. Steel Corpn.		5,744,798
Less Exports		1,021,672
Produced by U. S. Steel Corpn. for Home Consumption		4,723,126

U. S. Steel Corporation produced for Home Consumption 42.6% of the total Rolled Iron and Steel consumed in the United States.

The years 1904 to 1907, inclusive are slightly in error as to tonnages on account of the fact that the Corporation returns for Export for these years do not separate Pig Iron. The percentages are not materially affected.

Defendants' Exhibit No. 21.

(December 17, 1912.)

Statistics of the American and Foreign Iron Trades for 1905.

(It was agreed among Counsel that the above exhibit was not to be printed.)

Defendants' Exhibit No. 22.

(January 22, 1913.)

NOVEMBER 7, 1907.

MY DEAR MR. SECRETARY:

At the recent interview at the White House between the President, yourself, Mr. Frick, and myself, I stated, in substance, that our corporation had the opportunity of acquiring more than one-half of the capital stock of the Tennessee Coal, Iron & Railroad Co. at a price somewhat in excess of what we believed to be its real value, and that it had been represented that if the purchase should be made it would be of great benefit to financial conditions, and would probably save from failure an important business concern; that under the circumstances Mr. Frick and I had decided to favor the proposed purchase of stock unless the President objected to the same. I further stated that the total productive capacity of our companies would not be materially increased by the ownership of the properties of the Tennessee Co., and, after the purchase, would probably not amount to more than 60 per cent of the total steel production in this country, which was about the percentage of our companies at the time of the organization of the United States Steel Corporation; that our policy was opposed to securing a monopoly in our lines or even a material increase of our relative capacity. I understood the President to say that while he would not and could not legally make any binding promise or agreement he did not hesitate to say from all the circumstances as presented he certainly would not advise against the proposed purchase.

If consistent will you kindly write me if the above statement is in accordance with your understanding and recollection?

Sincerely, yours,

E. H. GARY.

Defendants' Exhibit No. 23.

(January 22, 1913.)

NOVEMBER 11, 1907.

MY DEAR MR. GARY:

I have your letter of November 7. It fully agrees with my recollection of the interview to which you refer, in which you stated to the President the circumstances under which the United States Steel Corporation had been asked to relieve the financial situation by purchasing a majority of the stock of the Tennessee Coal, Iron & Railroad Co. I have sent a copy of your letter, with this answer, to the President, with a recommendation that it be transmitted to the Department of Justice for filing there.

Very sincerely, yours,

ELIHU ROOT.

Defendants' Exhibit No. 24.

(January 22, 1913.)

NOVEMBER 20, 1907.

DEAR MR. GARY:

I enclose a copy of a letter which I have sent to the President enclosing a copy of your letter of November 7, and a copy of the President's answer. You have a complete copy of what you will be able to find upon the files of the Department of Justice if any occasion arises.

Very sincerely, yours,

ELIHU ROOT.

Defendants' Exhibit No. 25.

(January 22, 1913.)

NOVEMBER 11, 1907.

DEAR MR. PRESIDENT:

I transmit herewith a copy of a letter from Mr. E. H. Gary, president of the United States Steel Corporation, dated November 7, 1907, received by me on the following day. You will perceive that it relates to the interview which Mr. Gary had with you last week regarding the purchase by his company of the capital stock of the Tennessee Coal, Iron & Railroad Co. I send also a copy of my answer to Mr. Gary and recommend that these papers be sent to the Department of Justice and placed upon the files of that department.

Very truly, yours,

ELIHU ROOT.

Defendants' Exhibit No. 26.

(January 22, 1913.)

NOVEMBER 19, 1907.

MY DEAR MR. SECRETARY:

I am in receipt of your letter of the 11th instant and enclosures, and have forwarded them to the Attorney General to be placed on the files of the Department of Justice, together with a copy of this letter. Mr. Gary states the facts as I remember them.

Very truly, yours,

THEODORE ROOSEVELT.

Defendants' Exhibit No. 27.

(January 22, 1913.)

DEPARTMENT OF COMMERCE AND LABOR.
BUREAU OF CORPORATIONS.
WASHINGTON.

NOVEMBER 9, 1905.

MY DEAR JUDGE GARY:

I enclose a brief, informal memorandum of the conference with the President, held on the evening of November 2d, thinking it well to preserve such a record. It has been submitted to both the President and to the Secretary and meets with their approval. Will you kindly advise me whether it meets with yours.

Very truly yours,
(Signed) JAMES RUDOLPH GARFIELD.

JUDGE E. H. GARY,
Empire Building,
New York, N. Y.

Enclosure.

Defendants' Exhibit No. 28.

(January 22, 1913.)

NOVEMBER 4, 1905.

CONFERENCE AT WHITE HOUSE, EVENING OF NOVEMBER 2, 1905.

Present: THE PRESIDENT,
SECRETARY METCALF,
JUDGE GARY,
MR. RICHARD TRIMBLE,
COMMISSIONER GARFIELD.

Judge Gary stated very fully the position of the United States Steel Corporation, which in brief is:

That it does not raise the question of the constitutionality of the law; it desires to co-operate with the Govern-

ment in every possible way that is consistent with the proper protection of the interests of its stockholders in their rights and property; the main point questioned is the use and disposition of certain detailed information given by the Corporation, and the possibilities of the misuse of such information in case it were left as a permanent record in the Bureau.

Mr. Garfield stated that the purpose of the investigation is to afford the President full information of all facts relating to the organization, conduct, and management of the Corporation, upon which recommendations for legislation might be made; he outlined the policy adopted by the Bureau, and the methods which it had so far used, in this and other investigations.

A number of special questions as to the use of detailed information referred to by Judge Gary, such as detailed costs and profits, were carefully discussed.

The President spoke of the question of overcapitalization, not as applying directly to the Steel Corporation, but generally, and stated that it is of course usually impossible to undo that which has already been done, but that on this, as on other matters, the work of the Bureau is for the present and the future. In answer, Judge Gary stated that if from the facts obtained Mr. Garfield was satisfied that the United States Steel Corporation was overcapitalized, it would be his duty so to state, and that the Steel Corporation could not be punished in any more severe way than by such publicity.

In conclusion, it was determined that all information requested would be furnished by the United States Steel Corporation, and full opportunity would be given for the inspection of all books and records of the Corporation; that thereafter any questions relative to the use, publication, and disposition of material which Judge Gary might deem confidential would be considered by him and Commissioner Garfield, and that if there should be a disagreement between them the matter should be referred to Secretary Metcalf and, if necessary, ultimately to the President for determination.

Defendants' Exhibit No. 29.

(January 29, 1913.)

PIG IRON PRODUCTION BY GRADES BY THE UNITED STATES STEEL CORPORATION AND BY THE INDEPENDENT COMPANIES FROM 1901 TO 1910, INCLUSIVE.

Compiled by the Bureau of Statistics of the American Iron and Steel Institute, 261 South Fourth St., Philadelphia.

FERRO MANGANESE—The manufacture of Ferro Manganese in the United States has in late years been confined almost exclusively to the United States Steel Corporation, which consumes in its own steel works virtually all of the Ferro Manganese it makes. Our understanding is that during the past five years it consumed about 98 per cent. of the quantity it made, but that prior to 1907 it sold to other steel makers about 15 per cent. of its Ferro Manganese output. Owing to the increase in its own requirements, and to its inability to increase its output of Ferro Manganese caused chiefly by the difficulty in securing an adequate supply of Manganese Ore, practically all of which is imported, it has been able in late years to barely supply its own needs for this necessary alloy. Very small quantities of Manganese Ore are mined in this country. The reports of the United States Geological Survey show that in 1910 the output of Manganese Ore in the United States amounted to but 2,258 gross tons, while the imports amounted to 242,348 tons. It is therefore necessary for the Corporation to depend almost entirely upon foreign countries for the Manganese Ore it consumes. The annual production of Ferro Manganese by the Corporation is equivalent to the output of about two blast furnaces, running normally. Practically all of the Ferro Manganese produced by the Corporation is turned out by the Carnegie Steel Company, which was a pioneer in the manufacture of this alloy in this country. It is also the only company in the United States that has made Ferro Manganese in fairly large quantities.

Defendants' Exhibit No. 30.

(January 29, 1913.)

IMPORTS OF FERRO-MANGANESE INTO THE UNITED STATES FROM 1901 TO 1910

AND VALUE AT FOREIGN PORT OF SHIPMENT

Figures furnished to the American Iron & Steel Association by the Bureau of Statistics of the Department of Commerce & Labor at Washington, D. C. and verified by the Department.

Years	Gross tons Imported	Value at port of Shipment	Authority
1901	20,751	$ 870,828	American Iron & Steel Association's Annual Report for 1903, page 27.
1902	50,388	1,818,036	
1903	41,518	1,699,666	
1904	21,814	707,037	Report for 1906, page 35
1905	52,841	1,884,651	Report for 1907, page 35
1906	84,359	4,953,644	Report for 1908, page 38
1907	87,400	5,354,656	
1908	44,624	1,860,664	
1909	88,934	3,396,381	Report for 1911, page 36
1910	114,278	4,341,071	

Defendants' Exhibit No. 31.

(March 11, 1913.)

(Extract from minutes of the Carnegie Steel Company for October 16, 1900.)

EXPERIMENTS IN TUBE MAKING.

MR. SCHWAB: When I was in Scotland I talked with Mr. Carnegie, Mr. Lauder and others, in reference to proceeding with our improvements, and at some length discussed the question of tubes. I have had in view for some time a plan for making a seamless tube, which can be sold as against a welded tube. The matter is largely an experimental one, and I am not yet prepared to make a recommendation. I have, however, seen Mr. Miller, of the Shelby Steel Tube Company, and have gone over the plans with him, and he is willing to equip a mill, using such parts as he has, which will enable us to roll tubes according to my plan. It seems to me, before going into an expenditure of such magnitude as tubes require, we must have some more definite information. Mr. Miller reports it will cost $40,000 to put in the machinery necessary for this experiment. He is willing to make the experiments if we will stand one-half the expense.

We have everything to gain, because if successful, we will go ahead with our plans.

I would like to have the authority of the board for, and would strongly recommend, the making of such an arrangement with the Shelby Company.

The board should understand this company does not make the class of tubes we are considering. This expenditure means the addition of a finishing mill, which would take the tube from the point where they start to draw it.

MR. GAYLEY: Where does this benefit Mr. Miller?

MR. SCHWAB: He has been working on the idea of combining his tube works with ours when we build it. I have not recommended this, but have not told him we would not do this.

After a little further discussion as to the details of the plan, it was moved by Mr. Phipps, seconded by Mr. Morrison, that the President be authorized to expend the sum of $20,000, in connection with a like expenditure on the part of the Shelby Tube Company, in experimenting on the manufacture of seamless tubes.

The motion was carried, the vote being unanimous.